No. 10059

United States

Circuit Court of Appeals

For the Ninth Circuit.

EDNA W. BALLARD and DONALD BALLARD,
Appellants,

vs.

UNITED STATES OF AMERICA,
Appellee.

Transcript of Record

In Four Volumes

VOLUME I

Pages 1 to 485

Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

PARKER PRINTING COMPANY, 549 SANSOME STREET, SAN FRANCISCO

INDEX

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

Page

Affidavit of Roland Rich Woolley on Application for Order Transmitting Original Exhibits 1617

Exhibit A—Stipulation re Preparation of Bill of Exceptions 1619

Amended Motion to Quash 113

Amended Motion to Strike 146

Appeal:

Assignments of Errors 190

Designation of Contents of Record on (Circuit Court of Appeals) 1622

Designation of Record on (District Court) 219

Notice of (Donald Ballard) 185

Notice of (Edna W. Ballard) 182

Statement of Points on (Circuit Court of Appeals) 1622

Arraignment and Plea, Minutes Pertaining to 150

Assignments of Errors 190

Attorneys of Record, Names and Addresses of 1

Bail Bonds on Appeal 221, 226

Index **Page**

Bill of Exceptions 232

Closing Argument in Behalf of the Government 1493

Exhibits for Defendants:

B—Letter dated September 19, 1934 to the Ballards from Harry F. Sieber 321

G—Letter dated July 28, 1935 to the Ballards from Max Gysi 358

H—Letters written by Harry N. Rogers 375

L—Letter dated January 4, 1935 addressed "Precious Ones" signed by Muriel Bliss 454

O—Letter dated March 7, 1935 to the Ballards from Muriel Bliss 458

R—Letter dated July 13, 1935 to the Ballards from Maude M. Hill 528

S—Letter, undated, to the Ballards from Maude M. Hill 526

U—Letter dated December 2, 1938 to A. M. Ashcraft from G. W. Ballard 582

V—Telegram dated Nov. 7, 1939 to Mr. and Mrs. G. W. Ballard from Portia A. Terry 612

W—Letter dated February 11, 1935 addressed "Dear Beloved Messen-

Index Page

Exhibits for Defendants (cont.):
ger of Light" from Helen M. Pinkerton 618
X—Letter dated October 18, 1935 to the Ballards from Helen M. Pinkerton 620
Y—Letter dated October 9, 1937 addressed "Beloved Students" from Helen M. Pinkerton 623
Z—Letter, undated, to the Ballards from Helen M. Pinkerton 626
AA—Letter dated May 28, 1937 to Mrs. Ballard from Merle Casterline 633
BB—Letter dated June 5, 1937 to Mrs. Ballard from Merton Casterline 638
CC—Article from Reader's Digest for November 1941 condensed from "Hygeia" 747
DD—Article from "Time" of June 16, 1941 749
HH—Letter dated November 17, 1938 and reply dated December 2, 1938 785
II—Letter dated August 20, 1939 to Mrs. Ballard from Mrs. D. D. Fowler 795

Index **Page**

Exhibits for Defendants (cont.):

JJ—Letter dated May 10, 1940 to Mrs. D. D. Fowler from Mrs. G. W. Ballard 801

LL—Letter dated June 28, 1939 to the Ballards from Mrs. D. D. Fowler. (N.B. P.S. to Exhibit MM) 804

MM—Letter dated June 28, 1939 to the Ballards from Mrs. D. D. Fowler 805

NN—Letter dated March 26, 1940 to Mrs. Ballard from Mrs. Fowler 807

OO—Letter dated April 8, 1940 to Mrs. Ballard from Mrs. Fowler 811

PP—Letter dated October 31, 1939 to the Ballards from Mrs. D. D. Fowler and reply thereto 821

QQ—Telegram dated October 8, 1940 to Bertha Majerus from Mrs. D. D. Fowler 827

RR—Telegram to the Ballards from the Fergusons 859

SS—Letter dated January 31, 1935 to the Ballards from Mr. and Mrs. Ferguson 860

UU—Letter dated April 1, 1935 to the Ballards from the Fergusons 865

VV—Letter dated February 9, 1935 to the Ballards from the Fergusons 867

Index **Page**

Exhibits for Defendants (cont.):
WW—Letter dated May 7, 1935 to the Ballards from the Fergusons 870

Exhibits for the United States:
8—"Ascended Master Light" (Page 394 et seq.) 789
22—Excerpt from the February 1937 issue of "The Voice", page 3 944
44—1938 issue of "The Voice" magazine (Portion of p. 5) 720
68—Letter dated September 6, 1934 to Harry Sieber from Guy W. Ballard and Family 271
69—Letter dated September 16, 1934 to Mr. and Mrs. Harry F. Sieber from G. W. Ballard 272
70—Letter dated September 27, 1934 to Mr. and Mrs. Harry F. Sieber from The Ballards 276
71—Letter dated September 30, 1934 to Harry F. Sieber from The Ballards 279
73—Letter dated December 18, 1934 to Harry F. Sieber from G. W. Ballard 285
74—Letter dated December 23, 1934 to Harry F. Sieber from G. W. Ballard 288

Index Page

Exhibits for the United States (cont.):
75—Letter dated November 21, 1934 to Harry F. Sieber from Donald Ballard 609
78—Letter dated February 7, 1935 to Harry F. Sieber from The Ballards 297
79—Letter dated February 12, 1935 to Harry F. Sieber from G. W. Ballard 298
80—Letter dated February 14, 1935 to Harry F. Sieber from G. W. Ballard 301
81—Letter dated March 2, 1935 to Harry F. Sieber from G. W. Ballard 303
82—Letter dated February 22, 1935 to Harry F. Sieber from G. W. Ballard 304
83—Letter dated February 3, 1935 to Harry F. Sieber from G. W. Ballard 307
84—Letter dated March 13, 1935 to Harry F. Sieber from G. W. Ballard 307
88—Letter dated March 26, 1935 to Harry F. Sieber and Family from the Ballards 311

Index Page

Exhibits for the United States (cont.):
90—Letter undated to G. W. Ballard from Harry F. Sieber 330
92—Letter dated December 21, 1934 to Max Gysi from the Ballards 342
93—Letter dated December 24, 1934 to Max Gysi from the Ballards 343
94—Letter dated December 27, 1934 to Max Gysi from the Ballards 344
95—Letter dated April 1, 1935 to Max Gysi from Saint Germain 347
96—Letter dated April 1, 1935 to Max Gysi from G. W. Ballard and Edna W. Ballard 348
98—Letter dated June 19, 1935 to Max Gysi from Saint Germain 350
99—Total amount of Books, Charts and Pictures Sold 351
100—Letter dated July 6, 1935 to Saint Germain from Mrs. Ballard 352
103—Letter dated November 19, 1935 addressed "To Whom It May Concern" from the Ballards 360
104—Letter dated September 9, 1940 to Gladys Ethel Kemp from Mrs. G. W. Ballard 55

Index **Page**

Exhibits for the United States (cont.):
105—Letter dated March 13, 1937 to Mr. E. H. Woodward from G. W. Ballard 552
107—Letter dated January 25, 1940 to Harry N. Rogers from Mrs. Ballard 370
108—Letter dated July 8, 1936 to Mr. and Mrs. Harry N. Rogers from Saint Germain 371
109—Letter dated October 31, 1939 to Harry N. Rogers from Saint Germain 373
110—Letter dated January 13, 1937 to Virginia L. Meyer from the Ballards 419
113—Letter dated February 14, 1938 addressed "Precious Group Leaders" from the Ballards 437
117—Magazine entitled "Voice of the I AM" 46
119—Letters to Miss Killen signed "Ray" 474
120—Letter dated November 3, 1932 to Miss Killen from Mrs. Ballard 482
122—Letter dated August 21, 1933 to Mrs. Muriel Bliss from Saint Germain 446

Index

Page

Exhibits for the United States (cont.):

122—Check dated Dec. 20, 1938 for $20.00 payable to Mrs. G. W. Ballard signed by Muriel L. Bliss 23

123—Letter dated June 13, 1935 to Mrs. Muriel Bliss from the Ballards 447

123—Check dated Feb. 21, 1939 for $300.00 payable to Mrs. G. W. Ballard signed by Arthur F. Bliss 26

124—Check dated April 3, 1939 for $140.00 payable to Mrs. G. W. Ballard signed by Arthur F. Bliss 128

125—Letter dated February 24, 1939 to Mrs. Muriel Bliss from the Ballards 448

126—Letter dated June 22, 1939 to Virginia LaFerrera from Saint Germain 488

127—Letter dated August 1, 1938 to Miss Muriel Bliss from Mr. G. W. Ballard 42

130—Letter dated January 18, 1939 to Mr. and Mrs. Arthur Bliss signed "Mamma & Daddy" 30

132—Two letters addressed to Maude Miller Hill signed "Brother Bill" 513

Index **Page**

Exhibits for the United States (cont.):
133—Letter dated July 4, 1935 to Mr. and Mrs. Hill from the Ballards 516
134—Letter dated July 23, 1936 to Maude Hill from Betty Mundy..... 518
135—Letter dated August 8, 1935 to Maude Hill from Betty Mundy..... 520
138—Telegram dated May 2, 1938 to Mrs. Maude M. Hill from Mr. and Mrs. Ballard..... 546
144—Letter dated October 19, 1939 to Mr. Harry N. Rogers from G. W. Ballard 566
145—Letter dated March 18, 1938 addressed "Blessed Students of the Light" from the Ballards..... 568
149—Special Notice re phonograph records of a new material together with letter dated September 9, 1940 to Gladys Ethel Kemp from Mrs. G. W. Ballard..... 589
151—Letter dated May 1, 1937 to Donald Ballard from Mrs. Ballard 597
152—Letter dated August 6, 1937 to Donald and Marjorie Ballard from Mr. and Mrs. Ballard..... 601
153—Letter dated November 13, 1939 to "Don, Marjie, Portia and

Index Page

Exhibits for the United States (cont.):
Louisa" from Mr. and Mrs. Ballard 603
154—Letter dated November 16, 1939 to "Precious Ones" from Mrs. Ballard 606
155—Letter dated November 28, 1939 addressed "Precious Darlings" from Mrs. Ballard 608
158—Letter dated September 22, 1937 to Mr. Ted Dahl from Mr. and Mrs. G. W. Ballard 648
159—Letter dated September 22, 1937 to Mrs. Ada Cox Fisher from the Ballards 650
160—Letter dated January 26, 1938 to Ted Dahl from the Ballards 652
161—Letter dated January 31, 1938 to Ted Dahl from the Ballards 654
162—Letter dated May 22, 1938 to Ted Dahl from the Ballards 656
163—Letter dated August 12, 1938 to Mrs. Florence Demorest from the Ballards 658
164—Letter dated August 21, 1938 to Ted Dahl from the Ballards 659
165—Letter dated June 10, 1938 to Ted Dahl from the Ballards 662

Index Page

Exhibits for the United States (cont.):
166—Letter dated June 11, 1938 to Ted Dahl from the Ballards 665
167—Letter dated September 19, 1938 to Ted Dahl from the Ballards 668
168—Letter dated September 20, 1938 to Ted Dahl from the Ballards 671
169—Letter dated October 4, 1938 to Commissioner of Customs, Ottawa, Canada from Mr. and Mrs. G. W. Ballard 673
170—Letter dated September 22, 1938 to Ted Dahl from the Ballards 676
171—Letter dated November 10, 1938 to Ted Dahl from the Ballards 677
172—Letter dated February 18, 1939 to Ted Dahl from the Ballards 678
173—Letter dated September 9, 1939 to Ted Dahl from the Ballards 682
174—Letter dated January 3, 1939 to Mrs. Nanette Ray from Mr. and Mrs. G. W. Ballard 683
175—Letter dated June 3, 1939 to Ted Dahl from the Ballards 685
176—Letter dated November 6, 1939 to Ted Dahl from the Ballards 687
177—Letter dated February 22, 1940 addressed "Beloved Group Lead-

Index Page

Exhibits for the United States (cont.):
ers, 'I Am' Students and friends of America" from Mrs. G. W. Ballard 690
177—Letter dated October 31, 1939 to Mr. Harry N. Rogers signed Saint Germain 33
178—Radio Announcement re Ascended Masters Instruction 694
179—Copy of Radio Broadcast 696
182—Letter dated October 1, 1935 to Col. Edward P. Bailey from the Ballards 738
183—Letter dated November 26, 1935 to Col. Edward P. Bailey from Saint Germain 742
185—Letter dated August 22, 1938 to Mrs. D. D. Fowler from the Ballards 760
186—Instructions to Group Leaders dated January 3, 1939 (Pages 2 and 3) 814
189—Letter dated October 8, 1940 to Mrs. D. D. Fowler from the Ballards 762
192—Letter dated April 30, 1939 to Mr. Ted Dahl from Mrs. D. D. Fowler 768

Index **Page**

Exhibits for the United States (cont.):

193—Letter dated March 15, 1940 to "The 'I AM' Reading Rooms and Group Leaders" from the Ballards 770

194—Letter dated September 12, 1940 received by Mrs. Fowler from the Ballards 774

194—Letter dated Nov. 11, 1939 to Mrs. Portia Terry from Betty O. Mundy 35

203—Four letters addressed "Beloved Meta" signed "Ray" (Mount Shasta Letters) 844

204—Letter dated December 20, 1934 to Jane Ferguson from G. W. Ballard 850

205—Letter dated January 1, 1935 to Mr. and Mrs. Ferguson from Saint Germain 851

206—Letter received May 19, 1937 by William Irwin Ferguson and Jane Ferguson from Saint Germain 852

207—Letter dated February 4, 1935 to Mr. and Mrs. Ferguson from the Ballards 855

209—Letter dated January 17, 1937 to Mr. Ferguson from the Ballards 857

Index Page

Exhibits for the United States (cont.):
215—Letter dated Nov. 29, 1939 to G. W. Ballard from Harry N. Rogers 50
217—Letter dated January 25, 1940 to Mr. Harry N. Rogers from Mrs. G. W. Ballard 53

Instructions to the Jury 1545

Motion for Arrest of Judgment 1607

Motion for New Trial 1605

Opening Argument in Behalf of the Defendants 1324

Opening Argument in Behalf of the Government 1181

Order Extending Time in Which to Prepare and File Proposed Bill of Exceptions 1610

Stipulation re Contents of Bill of Exceptions 1613

Stipulation re Preparation of Bill of Exceptions 1611

Witnesses for Defendants:
Ade, Grace
—direct 967
—cross 968

Index **Page**

Witnesses for Defendants (cont.):

Allen, Ann
—direct 1043
—cross 1044
—redirect 1045
—recross 1045

Ballard, Donald
—direct 1077
—cross 1079

Ballard, Edna W.
—direct 1123
—cross 1126
—redirect 1162
—cross 1164

Boerrigter, Everett
—direct 971
—cross 974
—redirect 976

Buck, Arthur P.
—direct 987
—cross 989

Cahill, James J.
—direct 953
—cross 955
—redirect 956
—recross 956
—redirect 956

Index Page

Witnesses for Defendants (cont.):

Callahan, William F.
—direct 1165
—cross 1166
—redirect 1166
—recross 1166
—redirect 1167

Carter, Leona
—direct 991
—cross 992

Cassiere, William J.
—direct 1087
—cross 1098
—redirect 1106
—recross 1107

Chamberlain, Elsa
—direct 948
—cross 950
—redirect 952
—recross 952

Dana, Francis W.
—direct 965
—cross 966

de Carranza, Theresa
—direct 1068
—cross 1070
—redirect 1070

Index Page

Witnesses for Defendants (cont.):
deSt. Phalle, Fal
—direct 1085
—cross 1086
—redirect 1086
—recross 1087
—redirect 1087
Eaton, Aurel Dorothy
—direct 967
Ensor, Ben E.
—direct 1081
—cross 1082
Gardiner, Isabel
—direct 1006
—cross 1009
—redirect 1010
Haldy, Walter A.
—direct 945
—cross 947
Hawley, Dewey C. B.
—direct 996
—cross 998
—redirect 999
—recross 999
Horn, Mattie
—direct 1040
Hudson, Irene M.
—direct 1010
—cross 1012

Index Page

Witnesses for Defendants (cont.):

Hughes, Rosaline A.
—direct 1075
—cross 1075

Johns, Clare
—direct 994
—cross 995

Kelly, Agnes Regina
—direct 959
—cross 961

Kildah, Nielsine
—direct 979
—cross 981

Landwehr, Frederick
—direct 1118
—cross 1120

Leishman, Leroy J.
—direct 1107
—cross 1116
—redirect 1117
—recross 1118

Lovette, Carl
—direct 1004
—cross 1006

Lovette, Ruth Mary
—direct 1002
—cross 1003
—redirect 1004
—recross 1004

Index **Page**

Witnesses for Defendants (cont.):
Lucas, Donna
—direct 1121
—cross 1122
—redirect 1122
Magnuson, Jane
—direct 983
—cross 985
—redirect 987
Majerus, Louise
—direct 1167
—cross 1169
McClenathen, Curtis Ives
—direct 1046
—cross 1050
—redirect 1054
—recross 1054
—redirect 1056
McDaniel, Amanda Ellen
—direct 1082
—cross 1083
—redirect 1084
—recross 1084
—redirect 1084
Mills, Susannah
—direct 1041
—cross 1042
Morrison, Norman H.
—direct 1056
—cross 1057

Witnesses for Defendants (cont.):

Index **Page**

Mundy, Betty O.
—direct 1172
—cross 1173

Palmer, Hazel
—direct 1040
—cross 1041

Roberts, Alice F.
—direct 1075
—cross 1075
—redirect 1076
—recross 1076

Roy, Alice Gray
—direct 1000
—recross 1002

Sayre, David E.
—direct 968
—cross 969
—redirect 970
—recross 970

Sewards, Theodore M.
—direct 957
—cross 958
—redirect 959

Sheffield, Cora B.
—direct 1071
—cross 1072

Index **Page**

Witnesses for Defendants (cont.):

Sindelar, Charles
—direct 1057
—cross 1063
—redirect 1064
—recalled, direct 1064
—cross 1067
—redirect 1067

Slingluff, Katherine
—direct 977
—cross 977
—redirect 979
—recross 979

Stickell, Paul
—direct 1014
—cross 1028
—redirect 1039
—recross 1039

Zimmerman, Alfred J.
—direct 935
—cross 938
—redirect 943
—recross 944

Witnesses for the Government:

Adams, Ethel S.
—direct 1174
—cross 1176

Bailey, Edward Percy
—direct 737

Witnesses for the Government (cont.):

Ballard, Donald (Deposition)
—direct 878

Ballard, Mrs. Edna W. (Deposition)
—direct 874

Bliss, Muriel L.
—direct 426
—cross 451
—redirect 464
—recross 465

Brigham, Dr. W. Curtis
—direct 701
—cross 702

Bronwell, Richard Lewis
—direct 708
—cross 709

Brown, Evelyn M.
—direct 593

Casterline, Merle
—direct 631
—cross 632

Cottam, Dr. Nephi
—direct 466
—cross 469
—redirect 472
—recross 473
—redirect 473

Crouse, Paton B.
—direct 533
—cross 573

Index Page

Witnesses for the Government (cont.):

Dahl, Ted
—direct 645
—cross 698
—redirect 700
—recross 700
—redirect 700
—recross 701

Davison, Dr. Claude L.
—direct 743
—cross 744

Ferguson, Jane
—direct 850
—redirect 873

Fowler, Dottie D.
—direct 754
—cross 777
—redirect 827
—recross 834
—redirect 835

Goldberg, Louis I.
—direct 644

Gysi, Max
—direct 341
—cross 356
—redirect 359
—recross 364
—redirect 367

Index **Page**

Witnesses for the Government (cont.):
Hill, Maude Miller
—direct 506
—cross 522
—redirect 531
—recross 532
Kemp, Gladys Ethel
—direct 589
King, Mrs. Madge
—direct 586
LaFerrara, Virginia
—direct 487
—cross 495
—redirect 502
—recross 505
—redirect 505
Loomis, Arthur M.
—direct 835
—cross 836
Meyer, Virginia L.
—direct 415
—cross 422
Moor, Dr. Fred B.
—direct 745
—cross 746
—redirect 753
—recross 754
Mosher, Alphaeus
—direct 841

Index **Page**

Witnesses for the Government (cont.):

Pinkerton, Elsie Buckingham
—direct 613
—cross 613

Pinkerton, Helen M.
—direct 614
—cross 616
—redirect 628
—recross 629

Purcell, Richard J.
—direct 473
—cross 484

Ricord, Ernest C.
—direct 640
—cross 641
—redirect 643
—recross 643
—redirect 644
—recross 644

Rogers, Catherine
—direct 723
—cross 731
—redirect 736

Rogers, Harry N.
—direct 367
—cross 375
—redirect 392
—recross 393
—redirect 393

Index **Page**

Witnesses for the Government (cont.):

Schall, Mrs. Margaret Huntley
—direct 393
—voir dire 397
—direct 397
—cross 409
—redirect 413
—recross 414
—redirect 415
—recross 415

Shinn, Isobel
—direct 836
—cross 839

Sieber, Harry F.
—direct 268
—cross 313

Smith, Wilbur Curtis
—direct 332
—cross 336
—redirect 340
—recross 340

Stevens, George Thomas
—direct 712
—cross 715
—recross 722

Stover, Murray
—direct 710
—cross 711

Index Page

Witnesses for the Government (cont.):

Terry, Portia A.
—direct 594
—cross 611
—redirect 613

Van Meter, J. H.
—direct 234
—voir dire 237
—direct 238
—cross 267
—recalled, direct 702

Certificate of Clerk to Transcript of Record 230

Demurrer to Indictment 64

Designation of Contents of Record on Appeal (Circuit Court of Appeals) 1622

Designation of Contents of Record on Appeal (District Court) 219

Empanelment of Jury, Minutes Pertaining to 151

Indictment 2

Judgment (Donald Ballard) 181

Judgment (Edna W. Ballard) 179

Jury, Minutes Pertaining to Empanelment of 151

Minutes Pertaining to Arraignment and Plea 150

Minutes Pertaining to Empanelment of Jury 151

Minutes Pertaining to Verdicts of Jury 168

Index

	Page
Motion to Quash	77
Motion to Quash, Amended	113
Motion to Quash, Supplement to	109
Motion to Strike	111
Motion to Strike, Amended	146
Names and Addresses of Attorneys of Record	1
Notice of Appeal (Donald Ballard)	185
Notice of Appeal (Edna W. Ballard)	182
Order Denying Motion for Directed Verdicts, Entered Jan. 9, 1942	165
Order Denying Motion for Directed Verdicts, Entered Jan. 23, 1942	166
Order Denying Motion for New Trial and in Arrest of Judgment	177
Order Denying Motion to Quash, Amended Motion to Quash, Motion to Strike and Amended Motion to Strike	149
Order Dismissing Count One of the Indictment	164
Order for Transmittal of Exhibits	1616
Pleas of Not Guilty	150
Praecipe for Record on Appeal	219
Statement of Docket Entries (Donald Ballard)	189
Statement of Docket Entries (Edna W. Ballard)	188
Statement of Points on Appeal (Circuit Court of Appeals)	1622

Index	Page
Stipulation re Transmittal of Original Exhibits	1621
Substitution of Attorneys	1615
Supplement to Motion to Quash	109
Verdict of the Jury (Betty O. Mundy)	172
Verdict of the Jury (Donald Ballard)	171
Verdict of the Jury (Edna W. Ballard)	170
Verdict of the Jury (Louise Majefus)	174
Verdict of the Jury (Paul Stickell)	173
Verdict of the Jury (William J. Cassiere)	176
Proceedings in U. S. C. C. A., Ninth Circuit	1624
Order of submission	1624
Order directing filing of opinions and judgment	1624
Opinion, Mathews, J	1625
Dissenting opinion, Stephens, J	1631
Decree	1632
Order denying petition for rehearing, etc	1632
Concurring opinion, Denman, J., on denial of petition for rehearing	1633
Clerk's certificate	1634
Order allowing certiorari	1635

NAMES AND ADDRESSES OF ATTORNEYS

For Appellants:

ROLAND RICH WOOLLEY, Esq.,
RALPH C. CURREN, Esq.,
JOSEPH F. RANK, Esq.,
649 South Olive Street,
Los Angeles, California.

For Appellee:

WILLIAM FLEET PALMER, Esq.,
United States Attorney,
RALPH E. LAZARUS, Esq.,
NORMAN W. NEUKOM, Esq.,
Assistant United States Attorneys,
600 U. S. Post Office & Court
House Building,
Los Angeles, California. [1*]

*Page numbering appearing at foot of page of original certified Transcript of Record

No. 14858

Viol.: Title 18, United States Code, Section 338; Title 18, United States Code, Section 88.

In the District Court of the United States in and for the Southern District of California, Central Division

INDICTMENT

At a stated term of said court, begun and holden at the City of Los Angeles, County of Los Angeles, within and for the Central Division of the Southern District of California on the first Monday of February in the year of our Lord one thousand nine hundred and forty-one,

The grand jurors for the United States of America, after being duly impaneled, sworn, affirmed and charged at the term of said court now pending to inquire in and for the Southern District of California, upon their oaths and solemn affirmations do present:

That

EDNA W. BALLARD, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King, Chanera;

DONALD BALLARD, alias Edona Eros Ballard, Lafayette;

BETTY MUNDY;

PAUL STICKELL;

LOUISE MAJERUS;

WILLIAM J. CASSIERE;

whose names are to the grand jurors otherwise unknown, who are hereby indicted and hereinafter referred to as "defendants," and Guy W. Ballard, now deceased and therefore not indicted herein, but who merely for the purpose of convenience is included and referred to in the term "defendants," and divers other persons whose names are to the grand jurors unknown, heretofore, to-wit: during the early part of the year 1930, the exact date of which is unknown to the grand jury, and continuously thereafter up to and including the date of the filing of this indictment, in the Southern District of California and within the jurisdiction of this court, did unlawfully, knowingly and wilfully devise [2] and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent representations, pretenses and promises from a large number of persons, hereinafter called the "persons intended to be defrauded," and that class of persons who could or might be induced by means of any of the fraudulent or false devices, representations, and promises hereinafter mentioned, to purchase the books, magazines, pictures, articles, and other paraphernalia offered for sale by the defendants, and each of them, and to become followers, or who might be induced to accept the teachings and movement sponsored by the defendants, commonly known as the "I Am" movement, and who might be induced to give, send, and pay their money and give other

things of value to said defendants, among whom were;

Margaret H. Schall
Allen C. Radcliffe
Silvia Bisplinghoff
Maud Hill
Lillian M. Shissler
William I. Ferguson
Tom Stevens
Ernest C. Ricord
Muriel Bliss
Lucille C. Siefert
D. R. Baldwin, and
Gladys E. Kemp,

and divers other persons whose names are to the grand jurors unknown, including all of that class of persons in the State of California and elsewhere throughout the United States whom the said defendants would and could induce, persuade and entice to become members and followers of a certain organization or movement, organized and operated by the defendants, and by them designated and hereinafter referred to as the "I Am" movement, which said scheme and artifice was and is in substance as follows, to-wit:

(a) It was a part of the said scheme and artifice to defraud that the defendants would and did create, organize and operate a certain organization or movement known as the "I Am" movement, and by means of false and fraudulent representations,

pretenses and promises, hereinafter more particularly set forth, solicit, induce, encourage, persuade and entice the persons to be defrauded to become members and followers of the said "I Am" movement.

(b) It was a further part of the said scheme and artifice to defraud that the defendants would and did form, organize, dominate and [3] control a corporation designated and known as the Saint Germain Foundation, an Illinois corporation, and that the defendants would and did arrange for the election of the defendants Donald Ballard, as president, Paul Potter, as vice-president, and Edna W. Ballard as secretary and treasurer of the said Saint Germain Foundation.

(c) It was a further part of the said scheme and artifice to defraud that the defendants by means of false and fraudulent representations, pretenses and promises, and devices, hereinafter more particularly set forth, would and did solicit, induce, encourage, persuade and entice the persons intended to be defrauded to give, donate and contribute to the said Saint Germain Foundation sums of money and other things of value.

(d) It was a further part of the said scheme and artifice to defraud that the defendants would and did form, organize, dominate and control a corporation known and designated as the Saint Germain Press, an Illinois corporation, and that the defendants would and did arrange for the election of the defendants Donald Ballard as president, Paul Potter

as vice-president and Edna W. Ballard as secretary and treasurer of the said Saint Germain Press.

(e) It was a further part of the said scheme and artifice to defraud that the defendants would and did by means of false and fraudulent representations, pretenses and promises, solicit, induce, encourage, persuade and entice the persons to be defrauded to purchase from the said defendants various books, charts, pamphlets, magazines, and other written and printed matter published by the said Saint Germain Press.

(f) It was a further part of said scheme and artifice to defraud that the defendants would and did by means of false and fraudulent representations, pretenses and promises, sell and cause to be sold to the persons to be defrauded various pictures, charts, paraphernalia and divers other articles.

(g) It was a further part of said scheme and artifice to [4] defraud that the said defendants would and did arrange for, establish and maintain branch offices, meeting rooms, and reading rooms in various cities and towns throughout the United States, including

Los Angeles, California;
San Francisco, California;
Chicago, Illinois;
Washington, D. C.;
Philadelphia, Pennsylvania;
New York City, New York;

Boston, Massachusetts;
Cleveland, Ohio;
Denver, Colorado;
Salt Lake City, Utah;
Fort Worth, Texas;
Dallas, Texas
West Palm Beach, Florida,

and other principal cities throughout the United States; and that the defendants would and did arrange for and conduct meetings, classes and lectures at the aforesaid branch offices and meeting rooms and reading rooms for the instruction of the persons intended to be defrauded, in the principles, precepts and doctrines of the "I Am" movement.

(h) It was a further part of the said scheme and artifice to defraud that the said defendants would and did arrange for and conduct radio programs and broadcasts over various radio stations in the United States for the instruction of the persons intended to be defrauded in the principles, precepts and doctrines of the "I Am" movement.

(i) It was a further part of the said scheme and artifice to defraud that the defendants, for the purpose of soliciting, inducing, encouraging, persuading and enticing the said persons intended to be defrauded to become members and followers of the aforesaid "I Am" movement and for the purpose of soliciting, inducing, encouraging, persuading and enticing the said persons intended to be defrauded to give, donate and contribute sums of money and other things of value to the defendants and the aforesaid corporations dominated and con-

trolled by them, for the purpose of soliciting, inducing, encouraging, persuading and enticing the said persons intended to be defrauded to purchase from the defendants and corporations dominated and controlled by them, the aforesaid books, pamphlets, charts, and divers other [5] articles heretofore mentioned, would, in the aforesaid meetings, lectures, radio broadcasts and through and by means of letters, books, pamphlets and divers other written and printed matter, falsely and fraudulently represent to the persons intended to be defrauded, in substance and effect as follows, to-wit:

(1) That the defendant Guy W. Ballard had attained a supernatural state of self-immortality, which condition enabled him to conquer disease, death, o' age, poverty, and misery; whereas in truth and in fact the defendants well knew that the said Guy W. Ballard had not attained such a state of self-immortality which would enable him to conquer disease, death, old age, poverty, or misery, but was subject to disease and death common to mortal man, and did in fact die on December 29, 1939, in the City of Los Angeles, California, following an operation performed upon him;

(2) That the defendant falsely represented that Guy W. Ballard, now deceased, alias Saint Germain, Jesus, George Washington, and Godfre Ray King, had been selected and thereby designated by the alleged "ascertained masters," Saint Germain, as a divine messenger; and that the words of "ascended masters" and the words of the alleged divine

entity, Saint Germain, would be transmitted to mankind through the medium of the said Guy W. Ballard; whereas in truth and in fact the defendants well knew that the said Guy W. Ballard was not a "divine messenger" and all of said representations so made were false and fraudulent, and the defendants and each of them well knew that defendant Guy W. Ballard had no such divine or supernatural power;

(3) That the defendants represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard, and Donald Ballard, by reason of their alleged high spiritual attainments and righteous conduct, had been selected as divine messengers through which the words of the alleged "ascended masters," including the alleged Saint Germain, would be communicated to mankind under the teachings commonly known as the "I Am" movement; whereas in truth and in fact the defendants, and each [6] of them, well knew that none, neither, nor any of the three above designated persons had in fact achieved a high spiritual attainment; and whereas in fact none, neither, nor any of the said three designated persons had in fact lived a life either prior to the date set forth in the herein indictment or continuously up to and including the filing thereof, which said life adhered to and consisted of righteous conduct;

(4) That the defendants and each of them represented that Guy W. Ballard, his widow, Edna W. Ballard, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King, and Chanera, and Donald Ballard,

the son of Guy W. Ballard and Edna W. Ballard, who was also known as Lafayette and Edona Eros Ballard, had by supernatural visitation been accorded a supernatural state of self-immortality of body and also had been appointed messengers of divine entities and "ascended masters"; and that it was only through the medium of one, either, or all of said designated persons that the teachings and principles of alleged "ascended masters" and of divine entities would be transmitted to mankind; whereas in truth and in fact the defendants well knew that said representations pertaining to the alleged self-immortality of Guy W. Ballard, Edna W. Ballard, and Donald Ballard were false and fraudulent; and that the defendants well knew that the said representations as to the ability of one or either of said persons to transmit the messages of divine entities and of "ascended masters" to mankind were false and fraudulent, and that all of said designated persons were mortal persons without any supernatural powers;

(5) That the defendants represented that the teachings, precepts, doctrines, and principles published and promulgated by the defendants under the movement "I Am," were the only channels through which the alleged spiritual teachings or words of the alleged Saint Germain and other "ascended masters" would be given to the world. The defendants represented that the said words and teachings promulgated under the movement known as the "I Am" movement were absolutely [7] essen-

tial to the salvation of mankind, which said teachings and doctrines are too voluminous to be set forth herein and for that reason are omitted by the grand jury; that the defendants well knew that said alleged representations were false and fraudulent and had no foundation for representing to persons intended to be defrauded that said teachings, doctrines, and precepts were absolutely essential to the salvation of mankind;

(6) That the defendants represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard had attained a supernatural state of self-immortality, which condition enabled them, and each of them, to be entirely free from ailments common to man, and to conquer disease, death, old age, poverty, and misery, which power or condition and supernatural state the defendants, and each of them, represented they could and would transmit to others willing to pay therefor or willing to part with other things of value therefor to the defendants, for the false and fraudulent purpose of securing money or other things of value from the persons intended to be defrauded; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor all of said above designated named three persons had any such power, supernatural ability, or condition; and that they well knew that they had no such supernatural ability, power, or condition to transmit to others the ability to conquer disease, death, old age,

poverty, and misery; and that all of said representations were false and fraudulent;

(7) That the defendants, and each of them, represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard had, by reason of supernatural attainments, the power to heal persons of ailments and diseases and to make well persons afflicted with any diseases, injuries, or ailments, and did falsely represent to persons intended to be defrauded that the three designated persons had the ability and power to cure persons of those diseases normally classified as curable and also of diseases which are ordinarily [8] classified by the medical profession as being incurable diseases; and did further represent that the three designated persons had in fact cured either by the activity of one, either, or all of said persons, hundreds of persons afflicted with diseases and ailments; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor all of said designated persons had the power to cure or heal mankind of diseases or ailments, and in truth and in fact knew that neither of said designated persons had in fact ever cured any person suffering from curable or incurable diseases or ailments, but said representations were made for the purpose of acquiring domination and implicit belief among the followers of said movement so as to acquire a powerful influence over said persons and to cause the persons intended to be defrauded to be-

lieve that one, either or all of said designated persons had divine power of a supernatural nature.

(8) That the defendants, and each of them, represented by direct representations and by innuendos, worded and delivered in such a manner as to cause a belief among persons willing to accept the teachings of the "I Am" movement, that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, and each of them, had, by reason of divine origin, acquired a great healing power and did represent to the followers and students of said movement that said followers might also acquire such healing power and be able to achieve perfect bodies and heal themselves of all human ailments if said followers would give implicit obedience to the precepts, principles, teachings and doctrines of the "I Am" movement; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor any of said designated Ballards had any such power to heal and did not in fact have the power to transfer to others their alleged power to heal persons of human ailments and their alleged power to achieve perfect bodies free from disease common to mankind;

(9) That the defendants, and each of them, further represented [9] as a part of said scheme and artifice to defraud the persons intended to be defrauded, that the three designated persons, to-wit: Guy W. Ballard, Edna W. Ballard, and Donald Ballard, had a divine and supernatural ability to bring forth from a supernatural state, money, riches, and

other material needs necessary to mankind, which power or condition and supernatural state the defendants represented that they could transmit to others willing to pay therefor or willing to part with things of value therefor; whereas in truth and in fact the above designated defendants well knew that none, neither, nor all of them had any such supernatural power or ability of precipitation and all of said representations were false and fraudulent;

(10) That the defendants, and each of them, did publish and sell and cause to be published and sold over a period of approximately six years last past, continuously up to and including the filing of the herein indictment, books wherein and whereby the defendants, and each of them, falsely represented to the persons intended to be defrauded that said books were the result of divine visitations and dictations by the alleged Saint Germain and other alleged supernatural entities appearing in various supernatural visitations to one, either, or all of the defendants Guy W. Ballard, Edna W. Ballard, and Donald Ballard; that the defendants represented said books contained the divine instructions for the salvation of mankind; that among such books were those published under the name of "Unveiled Mysteries" and "The Magic Presence"; that the defendants represented that Guy W. Ballard, Edna W. Ballard, and Donald Ballard actually encountered the experiences pertaining to each of their said names as related and set forth in said books, whereas in truth and in fact none of said persons did encounter the

experiences; that the defendants, and each of them, represented that the alleged Saint Germain and various other alleged "ascended masters" too numerous to mention, communicated to mankind solely through the medium of one or more of the aforesaid designated defendants; that the defendants did endeavor to and did sell copies [10] of said books to the persons intended to be defrauded under the afore alleged representations, knowing at all times that said alleged representations with respect to their origin and alleged divine inspiration were false and fraudulent, and fully knowing that said books were not divinely inspired but were in fact the writings of one or more of said designated defendants, together with extracts and the substance of material and incidents from occult and metaphysical writings of others, persuading persons intended to be defrauded that, in their aim and desire to acquire salvation and self-immortality, they must purchase from said defendants said books;

(11) That the said defendants over a period of the seven years last past and up to the date of the return of this indictment did publish, circulate, and sell magazines, booklets, circulars, letters, "edicts," "decrees," and musical compositions, circulating and selling the same among the persons intended to be defrauded upon the false representations that said writings or compositions as aforesaid were divinely inspired and dictated by supernatural entities or "ascended masters" and were

a part of the medium by which persons intended to be defrauded could obtain divine salvation, knowing full well that all of said publications were man written and that said representations were false and fraudulent;

(12) That the defendants, and each of them, represented both orally and by writings that it was solely by reason of their teachings and their embodiment in the "I Am" movement and by reason of their divine power and influence that the United States of America was saved from destruction, and that by divine inspiration there had been accorded to them the ability to maintain the sovereignty and general welfare of the United States of America; that by reason thereof they represented to the persons intended to be defrauded that it was absolutely necessary that complete obedience be had to their teachings, commands, and decrees for the safety, welfare, and sovereignty of the United States and for divine justice to be had in governmental [11] activities and the activities of industry; that the defendants well knew that all of said representations were false and untrue and had no foundation in fact and that the welfare and safety of the United States did not depend upon persons following the teachings or commands of their movement;

(13) That the defendants represented that reproductions of a painting of a picture represented by the defendants as being an actual picture of the "ascended master" Saint Germain, was the result of a visitation by Saint Germain before one Charles

Sindelar; and that the said Saint Germain did appear before the said Charles Sindelar for said painting and did represent to the persons intended to be defrauded and the followers of said movement that the purchase of said picture from the defendants was desirable in their aim and hope to achieve salvation; whereas in truth and in fact the defendants well knew that said painting was copied from an existing picture painted approximately twenty years theretofore by Theresa de Carranza and that the reproductions were made for the purposes of sale.

(14) That the defendants falsely represented that the purchase of certain charts, phonograph records and articles, sold by the defendants to the persons intended to be defrauded and the students of the said "I Am" movement, would bestow upon said purchasers great blessings and rewards in their aim to achieve salvation; whereas in truth and in fact the defendants had no foundation for said representations and well knew that said representations were false and fraudulent, and that said articles, charts and records were man-made and had no ability to aid in achieving salvation;

(15) That the defendants, and each of them, falsely represented from time to time that there would be an actual visitation in one or more designated cities or places in the United States of "ascended masters" or divine entities, which said divine entities would appear in physical form before the assembly of followers of said movement, and

by reason thereof said defendants acquired a [12] hypnotic control, power, and domination over the persons intended to be defrauded, to-wit: the followers of the "I Am" movement, causing many of said followers to reach such a high state of emotionalism that they were willing to travel from far distances at great expense to themselves under the hope and expectation that they would view the physical appearance of the alleged "ascended masters" and other divine entities, said defendants knowing full well at all times that all of said representations were false, fraudulent, and were made solely with the aim, purpose, and desire of acquiring domination and control over the followers of said movement; that subsequent to any such meeting in which the defendants represented that divine entities would appear in physical form, which appearance in fact never occurred, the defendants, and each of them, would lull the followers of said movement into blind belief that said divine entities had failed to appear because of an alleged lack of harmony existing among the followers of said movement present at said proclaimed time for appearance;

(16) That the said defendants falsely represented that a cataclysm or the end of the world was approaching within the life span of persons now living and that there was no necessity to provide for the future or to save money or other things of value possessed by the persons intended to be defrauded and that in lieu thereof the followers of said movement should withdraw their funds from

banks, life insurance companies,and other financial institutions accepted by normal persons as safe places for the deposit of their money, and should turn said moneys over to the defendants in the form of so-called "love gifts" to be made directly to the defendants or to corporations above named, owned, controlled, and dominated by the defendants; that the said defendants had no reason to believe that the end of the world or a cataclysm was about to occur but made such representations as a part of their program to command implicit and unquestioning obedience of their followers;

(17) That the defendants falsely represented that any person [13] who criticized or questioned the teachings of the defendants, and each of them, would be denounced or punished by "ascended masters" and would thereby create fear, confusion, and obedience among the followers of said movement; whereas in truth and in fact the defendants, and each of them, well knew that said criticism or questioning of the teachings of said movement would not be punished by "ascended masters" and also not denounced by alleged "ascended masters";

(18) That the defendants falsely represented to the followers of said movement and the general public that if said persons would follow the principles, doctrines and precepts of the "I Am" movement and the teachings of the defendants, prior to death said persons would achieve the ability to make their actual physical ascension in their physical, tangible bodies and would in fact ascend and

not die, and that during such ascension said persons would have the ability to and would associate with alleged divine entities and "ascended masters" and would at their pleasure be able to return from their ascended position to earth and reascend if they so desired. And did further represent that persons who had accepted the teachings and doctrines taught by the defendants had in fact so ascended in their physical, tangible and earthly bodies; whereas in truth and in fact the defendants, and each of them, had no foundation for such representations and knew that said representations were false and fraudulent;

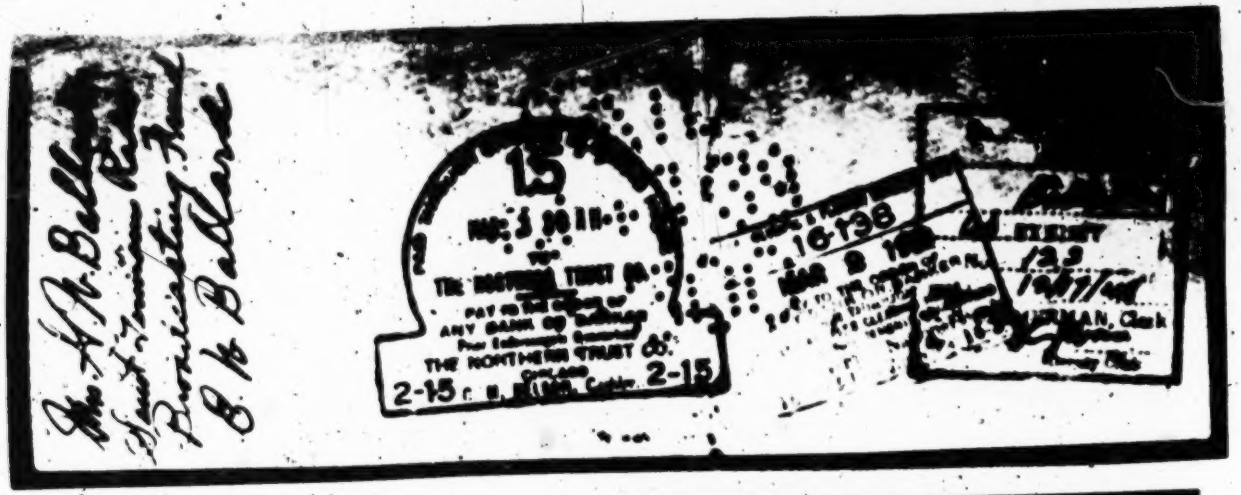
(19) That all of said representations, pretenses, and promises were made, or caused to be made, by the defendants to the said persons intended to be defrauded, and as a part of the said scheme and artifice to defraud the said persons intended to be defrauded, as aforesaid; that said representations, pretenses, and promises were made, and caused to be made by said defendants to said persons intended to be defrauded through, and by means of, certain oral statements, books, magazines, letters, radio broadcasts, writings, and papers so worded, constructed and expressed as to deceive, and they were then and there intended to deceive the said persons intended to be defrauded, and any [14] person who might hear or receive them, which oral statements, books, magazines, letters, radio broadcasts, writings, and papers are too numerous and too voluminous to be set forth in this indictment, and for that reason the grand jurors aforesaid omit the same;

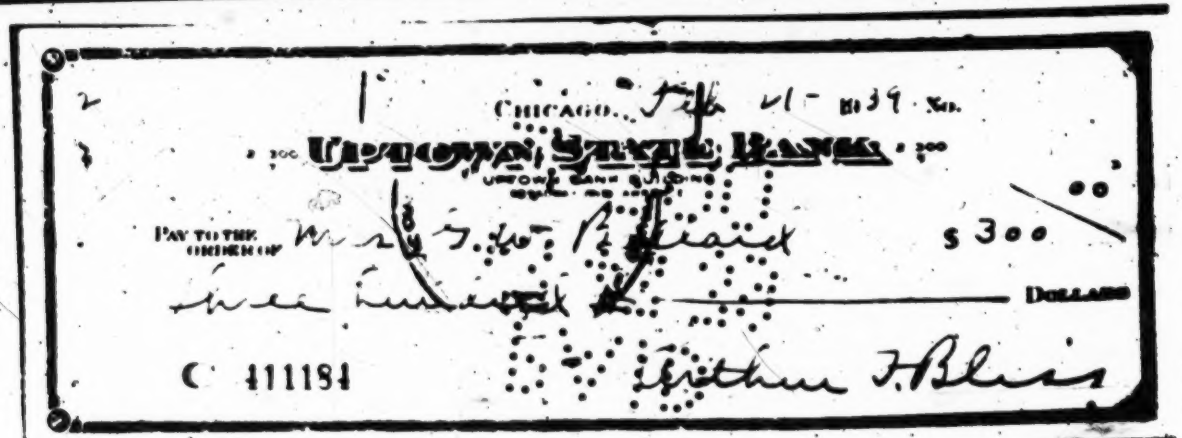
(20) At the time of making all of the aforealleged representations by the defendants, and each of them, the defendants, and each of them, well knew that all of said aforementioned representations were false and untrue and were made with the intention on the part of the defendants, and each of them, to cheat, wrong, and defraud persons intended to be defrauded, and to obtain from persons intended to be defrauded by the defendants, money, property, and other things of value and to convert the same to the use and the benefit of the defendants, and each of them; and the defendants intended to and did, in fact, by reason of the aforementioned representations, enrich themselves from the class of persons above described as the persons intended to be defrauded and obtain money, property, and other things of value which the defendants, and each of them, intended to and did convert to themselves under the guise and pretense of salaries, loans, bonuses, "love gifts," donations, expensive and luxurious living accommodations, and expensive traveling facilities;

That the defendants, on or about December 20, 1938, then having devised the said scheme and artifice, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be delivered by mail according to the directions thereon, a certain check in a

postpaid envelope addressed to Mrs. G. W. Ballard, at Los Angeles, California, which said check had theretofore been deposited in the Post Office Establishment of the United States for mailing and delivery, and which said check was thereafter delivered to said addressee by the Post Office Establishment of the United States at [15] such address, and within the Central Division of the Southern District of California, and within the jurisdiction of the United States and of this Honorable Court, and which said check was of the following tenor, to-wit:

Mrs G. W. Ballard.
G. W. Ballard.





Mrs. H. N. Ballard
Saint Francis Rd.
Bronxcasting Fund
E. H. Ballard

15
MAR 3 1939
THE NORTHERN TRUST CO.
PAY TO THE ORDER OF
ANY BANK OR BANKER
Prior Endorsement Guaranteed
THE NORTHERN TRUST CO.
CHICAGO
2-15 C. H. BELLAND, Cashier 2-15

16-138
MAR 2 1939

EXHIBIT
123
19/7/44
...MAN, Clerk

CHICAGO, Feb 21 1939 No.

UPTOWN STATE BANK

UPTOWN BANK BUILDING

PAY TO THE ORDER OF Mrs. G. W. Ballard $ 300 00

Three hundred DOLLARS

C 411184

Arthur F. Bliss

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [18]

Third Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about April 8, 1939, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly place and cause to be placed in the United States Post Office at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain check in a postpaid envelope addressed to the Uptown State Bank, Broadway and Lawrence, Chicago, State of Illinois, and which check was of the following tenor, to-wit [19]

Cancelled Apl. 3 - [illegible]

[illegible]

Pay to the order of Mrs. G. W. [illegible]

One hundred forty [illegible]

C 411215

Mrs. G. W. Ballard
Sec. Feminine Relief
Bronchitis Fund
E. W. Ballard

144969
Ballard
EXHIBIT
No. 124
[illegible]

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [20]

Fourth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about January 24, 1939, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly place and cause to be placed in the United States Post Office at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain letter in a post-paid envelope addressed to Mr. and Mrs. Arthur Bliss, 7389 North Damen Avenue, Chicago, Illinois, and which letter was of the following tenor, to-wit:

[21]

U. S. EXHIBIT NO. 130

The Biltmore Hotel
Los Angeles

January 18, 1939.

Mr. & Mrs. Arthur Bliss
7389 N. Damen Ave.,
Chicago, Ill.

Precious, Beloved Ones,

May the Full Activity of the Great Cosmic Light and Cosmic Love so permeate the consciousness of you and your beloved ones that you are held forever in that Full Ascended Master feeling of Victory over every human appearance!

Beloved Ones, do not think for one moment that we have forgotten you because we have not written before. We know that you can fully appreciate the great demands upon us at Christmas time and we have been pouring constantly to you and all of the beloved ones in Chicago the mightiest outpouring of Cosmic Light and Love that transmutes every human appearance into Divine Perfection.

Know always:—"I AM THE ONLY GOVERNING AND ACTING PRESENCE AND POWER IN EVERY HUMAN FORM", regardless of what the appearance seems to manifest. Be so alert in the consciousness of your own "Mighty I Am Presence" which sees, knows, feels and hears only Perfection that the human appearance can never hold your attention for one second.

We both want to thank you with all our hearts and express our deep gratitude and appreciation

for your gift to us at Christmas time and also for your great service and love to the blessed ones there. Know that the "All Seeing" Eye of God knows all the many beautiful services that you have rendered that have not always been given outer recognition. It is so wonderful to know that that Light which is the "I Am" in you is the Light that Lights every man that comes in contact with you.

We rejoice with you over your many Victories and we are decreeing that each day shall be filled with Ascended Master Miracles of Perfection for each one of you. Know that our arms are ever about you, holding you close to that Perfection which you are in the full consciousness of your own Presence. It will not be long now before we will be with you blessed ones in Chicago and what a marvelous feast we will have together.

We call to the Secret Love Star to keep pouring continuously into your bodies and world Its Mighty Light Substance until your final Victory—the Ascension in the Light. With all the Love of our own "Mighty I Am Presence" to enfold each one forever.

Lovingly yours in the Service of the Light.

MAMMA & DADDY.

GWB:MK

[Envelope]

The Ballards
The Biltmore Hotel
Los Angeles

Mr. and Mrs. Arthur Bliss
7389 N. Damen Ave.,
Chicago, Ill.

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [22]

Fifth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about October 31, 1939, then having devised the said scheme and artifice, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be delivered by mail according to the directions thereon, a certain letter signed in typing "Saint Germain," in a postpaid envelope addressed to Mr. Harry N. Rogers, 353 Van Ness Avenue, Los Angeles, California, which said letter

had theretofore been deposited in the Post Office Establishment of the United States for mailing and delivery, and which said letter was thereafter delivered to said addressee by the Post Office Establishment of the United States at such address, and within the Central Division of the Southern District of California, and within the jurisdiction of the United States and of this Honorable Court, and which said letter was of the following tenor, to-wit:

[23]

U. S. EXHIBIT No. 177

Philadelphia's Foremost Hotel
THE BENJAMIN FRANKLIN
Chestnut at Ninth Street

Mr. Harry N. Rogers,
353 Van Ness Ave.,
Los Angeles, Calif.

Philadelphia
Oct. 31, 1939

Mr. Rogers:

In continuing your Group, it must be understood that Sanat Kumara, the Divine Director and Myself release all the students from their promise to stand by your Group. That was only intended to be while you were serving on the Staff of the Messengers.

Since you are there, you must take the full responsibility in your call to your "Mighty I AM Presence" for your money supply.

Not one dime more shall be contributed to Catheine Rogers or Virginia LaFerrera's support by the students. Any student who does this against My

Wish automatically dismisses himself or herself from this Light!

All Love Gifts for the Group Leaders' letter, which will soon be under way again must be sent to the Saint Germain Press, P.O. Box 1133, Chicago, Illinois.

All Love Gifts for the preparation and conducting of the coming Los Angeles Class at the Shrine Auditorium, for the stage, flowers, decorations, expenses, etc. must be handed or sent to the group of individuals selected for that purpose to carry out the direction of Ratana and Sindelars, whom I have selected to take charge of the coming Class in Los Angeles.

Copies of this letter will be sent to Ratana and the Sindelars. I ask you and them to read it at three consecutive Group Meetings immediately upon your receiving it, so all may understand My Wishes.

SAINT GERMAIN

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [24]

Sixth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about November 11, 1939, then having devised the said scheme and artifice, for the purpose of executing the same and attempting so to do, at Sierra Madre, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be delivered by mail according to the directions thereon, a certain letter in a postpaid envelope addressed to Mrs. Portia Terry, at 15 Vista Circle Drive, Sierra Madre, California, which said letter had theretofore been deposited in the Post Office Establishment of the United States for mailing and delivery, and which said letter was thereafter delivered to said addressee by the Post Office Establishment of the United States at such address, and within the Central Division of the Southern District of California, and within the jurisdiction of the United States and of this Honorable Court, and which said letter was of the following tenor, to-wit: [25]

[U. S. EXHIBIT NO. 194]

[Envelope]

Betty O. Mundy
Hotel Washington
Penna Ave. at 15th Street
Washington, D. C.

Via Air Mail

Mrs. Portia Terry,
15 Vista Circle Drive,
Sierra Madre, Calif.

Hotel Washington
Penna Ave. at 15th Street
Washington, D. C.

Nov. 11, 1939.

Dear Portia:

I have kept the envelope you mailed mama's letter in on my desk ever since, hoping that I would get a letter to you each day, but these have been busy and strenuous days and there has been little time for anything.

As you know the class here is the Philadelphia Class and closes tomorrow night. It has been such a joy to have this closed class and I hope all in the future will be closed, altho that we do not yet know, altho we do know the coming Washington Class beginning on the 24th will be closed.

The radiation that is released in that room and the way the Decrees are given is enough to lift the roof off, but we don't voice that out-loud or Pegler might want the hotel to put us out. We are in the lower room away from everybody and the doors are closed and locked promptly at 2 PM and 8 PM and which ever side of the door you are on at that time determines where you will stay until the class is over. Consequently there is much discipline going on as well.

In fact, it seems to me the students are just beginning to realize what a responsibility they have and how much they have to do with themselves to be willing to be obedient; and they are realizing now with these closed classes if they are not—out

they go and out they stay. There is no monkey-doodle-business any more—you either do or you don't. The vibratory atmosphere of the room is not to be disturbed by people moving about, etc., and they are all like lambs—so far—God Almighty see that they remain so.

You could hear a pin drop in the hall and everybody are paying strict attention. They come and sit still without voicing one word of any kind after they pass the door into the hall. Absolute silence reigns everywhere—you could cut it with a knife. Anybody who wants the Light now can get it.

Of course much new material is coming thru which could not be given to an open class, things on the use and action of the Light Rays, etc. But—there is also a ruling that no notes are to be taken and this is iron-clad, so nobody will be passing or reading notes they have taken in the future. Mama also said this morning no information verbally is to be given out when people return to their homes. If people want to know what is going on they must come and find out for themselves; altho you had better be prepared to give your life's history as you sign a long agreement that you will do certain things and not do certain things. You cannot get in without a ticket and show that at the door each time.

Gee are we getting tough. However, the results have been so transcendent that no earnest student should objeet to being obedient to such rules, for the privilege of sitting in that vibratory action

where there is only peace and harmony and you could reach out and take hold of the substance, almost, surely it is a blessing of all life-times. I only hope it continues forever, forever and forever.

The seven opening Decrees are given in the Contemplation or rather during the Announcements, then when dady and mama come on they go directly into the Invocation; then Violet sings, then dady and mama say their say. Just before we close the audience sings a song and issues a Decree, then the Benediction. Whether this rule will be followed elsewhere I do not know, but that is the way this class is conducted.

There have been no dictations as yet, so we do not know what has taken place on the Inner Levels, but surely there has been enough Energy released here to lift the planet into its ascension and I am anxiously waiting tomorrow when we hope to hear something about the accomplishment of the past week.

How I wish you might have been here for the class, but not the other things; for believe me this has been some experience. However, it all goes with carrying the Light, and we have been warned in every dictation since and during the Shrine Class—words to this effect: "You will need all the strength and energy to meet that which you will meet in the near future," well we have at least met up with part of it—I hope the worst part, but out of it all we are so much wiser, so much more alert, so much more grateful to the Great Powers of Light, so much more grateful to be a part of the Light

rather than on the other side of the fence opposing It. What a privilege is ours.

The clan is gathering from all over the country, at least the east for today and tomorrow; New York, Boston, Phila., Cleveland, and Chicago, as well as smaller places, and already I can begin to feel the Radiation oozing up here on the eighth floor.

5:30 P. M. Had to leave at this point and just now returned from Childs where I had dinner, so will attempt to finish before going back to the evening class. Mama sure did give it to them this afternoon and the lid on all information concerning closed classes is on so tight that if anything leaks out, God help the one thru whom it comes; for it is going to be like digging for diamonds to get one of those tickets once they are removed—which has already been done in a few instances. We are going to have obedience, or you go out on your ear. Most of them are taking it on the chin and the greater majority are heartily in favor of the new plan, realizing it is the only way to gain complete Freedom. One would have to follow those same rules in a Retreat, so why not here?

I have just rambled on, but what am I to say when there are to be no notes or anything given out, and far be it from me to give out anything now, unless I have a written guarantee that my head will still be left in its place. The gillotine don't appeal to me and never did, so I will be good.

This may give you a slant on things, even tho I have given forth no news. It will give you something to start looking forward to, for if that Shrine

class is closed (which we are all praying it will be) then those students are going to learn a whole lot in a very short time. I guess many of them can well stand to be held off and given the once-over. Reports from there are not so hot; but it is the testing time of the ages and all must choose ye whom you will serve.

Portia I think of you often, but you know how much time I have for letter writing. I have missed you all during this eastern trip, but there have been times when I was so grateful that none of you were along that I am sure the Presence has guided you. Only going thru such a thing does one grasp how much viciousness is in the world and just how low people will stoop—but—"the Light of God never fails," and never will, but it tested the metal of everyone; and I am sure it gave Saint Germain an opportunity to see what each one was made of and whether or not they really were good soldiers.

Give my love and Blessings to Don, Marjory and Louise. I have heard little from any of you, for dady and mama are so busy and with the additions to the Group with us it seems I never find them alone. Things are so different than formerly and it all seems so strange. I sometimes pinch myself and wonder whether it is really me and what it is all about; but one must not even waste energy in imagining things—just keep on sawing wood and make the grade yourself.

With a great big portion of my Love to you, and please do excuse this rambling letter, but it has been done on the installment plan—there may never be

another like it, but it is from the heart. That should mean something.

Always in the Light,

BETTY O. M.

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [26]

Seventh Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about August 1, 1938, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly place and cause to be placed in the United States Post Office at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain letter in a postpaid envelope addressed to Muriel Bliss at Kimball

Hall, Chicago, State of Illinois, and which said letter was of the following tenor, to-wit: [27]

[U. S. EXHIBIT No. 127]

[Envelope]

Mr. G. W. Ballard
The Biltmore Hotel
Los Angeles
Via Air Mail

Mrs. Muriel Bliss,
"I Am" Reading Room,
Kimball Hall,
Chicago, Ills.

Personal

Biltmore Hotel,
Los Angeles, Calif.,
August 1, 1938.

Mrs. Muriel Bliss,
"I Am" Reading Room,
Kimball Hall,
Chicago, Illinois.

Beloved Student:

Saint Germain has just dictated the enclosed letter and we send copy for your special information.

Saint Germain's request is as follows: "Under no circumstances allow any one to have a copy of this letter, except yourself. Please keep this copy on your person and let no one copy it.

Please respect His Request, and with this information you will be able to correct any statement

that may come to you concerning this so-called "precipitated" child.

Our Love and Blessings enfold you always.

Eternally in the Light,

MR. AND MRS. G. W. BALLARD

By G. W. BALLARD.

Biltmore Hotel,
Los Angeles, Calif.,
August 1, 1938.

Mr. Paul Stickell,
Richmond, Va.

Beloved Messenger:

I am sending you this letter to prevent further misunderstanding or acceptance of the unfortunate condition in Richmond.

There is not one word of Truth nor Reality in this pretense of precipitated articles nor the child. The child was born of human parentage and this wild orgy of fanaticism must be stopped at once.

Lucille Leslie or Silver is in the hands of treacherous, deceitful psychic forces, and should be given no credence of any kind.

I am sorry that Dr. and Mrs. Liles have been so deceived. This deceit and treachery has nothing to do with the "I Am" Work. I have not appeared to her at any time. Neither has any one of the other Ascended Masters.

I am very grateful Dear Paul that you are going to Richmond that this unfortunate condition may be corrected.

If any of the students refuse to believe the Truth of these Words, then the results must be upon their own heads; and this should be a lesson to all "I Am" Students all over America not to be deceived by these foolish pretenses, as you know various attempts in the assumption to produce phenomena or precipitation have occurred several times.

All have been exposed and I trust this will end these attempts anywhere among the students.

Thanking you sincerely for your very great service rendered, I hold you forever in the Glory of your "Mighty I Am Presence" and the full Power of My Divine Love and Blessings.

SAINT GERMAIN.

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [28]

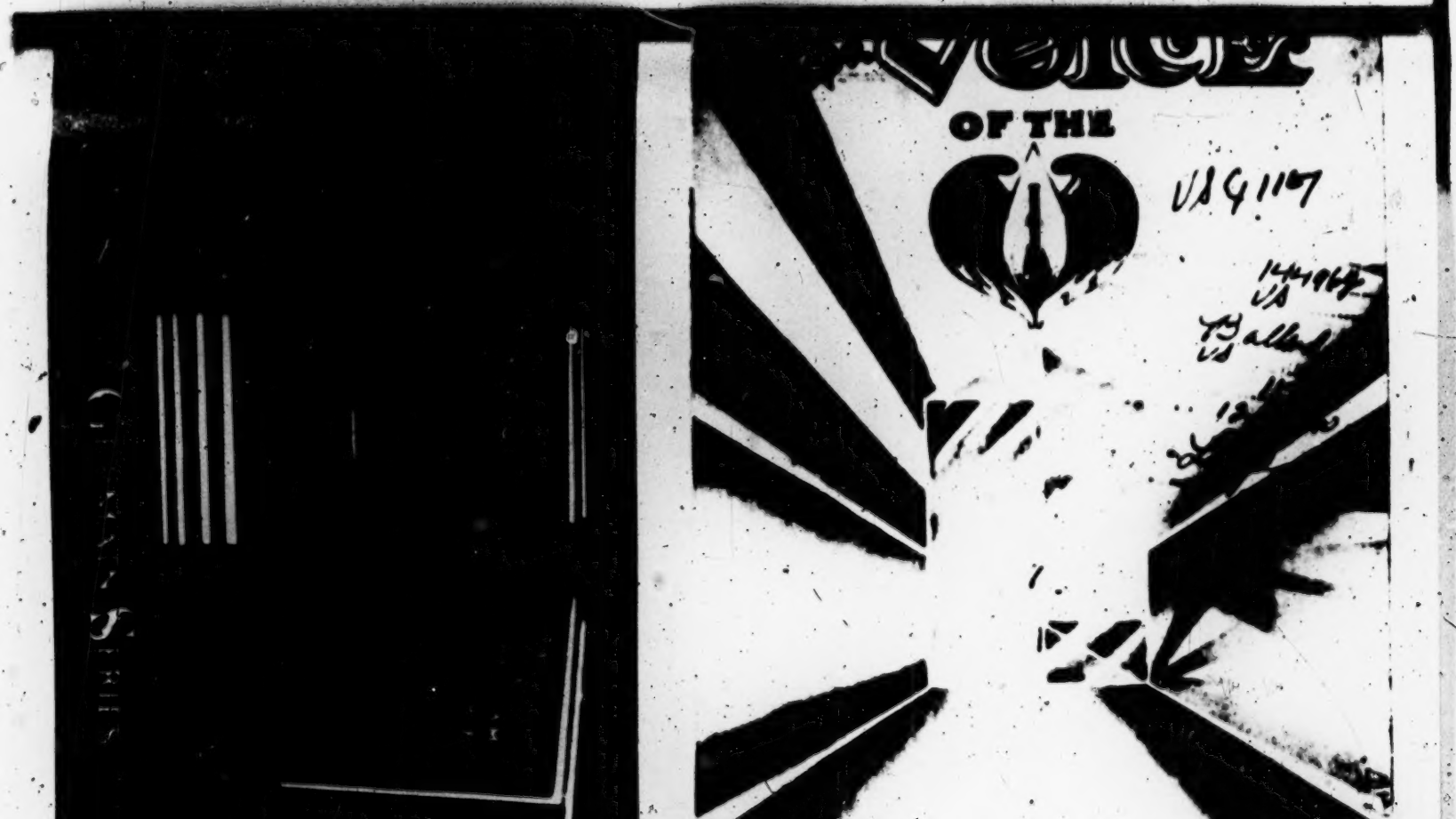
Eighth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about June 21, 1940, then having devised the said scheme and artifice, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles,

state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be delivered by mail according to the directions thereon, a certain magazine known as "The Voice of the I Am," to-wit: the June 1940 edition—which magazine is too voluminous to attach to the herein indictment and for that reason omitted, but in lieu and instead thereof there is set forth a photostatic copy of the front and back of said magazine and said magazine is further described as being one which consists of thirty-eight numbered pages containing discourses, copies of radio broadcasts, and other writings, together with pictures and an announcement of radio broadcasts to be given, and also advertisements of books, charts, music, records and other articles offered for sale—in a postpaid envelope addressed to Miss Lucille C. Seifert, 551 So. Gramercy, Los Angeles, California, which said magazine had theretofore been deposited in the Post Office Establishment of the United States for mailing and delivery, and which said magazine was thereafter delivered to said addressee by the Post Office Establishment of the United States at such address, and within the Central Division of the Southern District of California, and within the jurisdiction of the United States and of this Honorable Court, and a portion of which said magazine was of the following tenor, to-wit: [29]


OF THE

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [30]

Ninth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about November 29, 1939, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be placed in the United States Post Office at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain letter in a postpaid envelope addressed to Mr. G. W. Ballard, Washington Hotel, Washington, D. C., the original of which letter was so mailed and which certain letter was substantially of the following tenor, as is evidenced by the carbon copy, a photostat of which is attached hereto, to-wit: [31]

[U. S. EXHIBIT No. 215]

353 N. Van Ness Ave.
Los Angeles, Calif.
Nov. 29, 1939.

Mr. G. W. Ballard,
Washington Hotel,
Washington, D. C.

Dear One:

This is just a brief note to let you know that when the telegram of Saint Germain's, dated Nov. 12, 1939, arrived it seemed as though the end of the world had come for me. Certainly it was the most unexpected thing that ever could have happened. It seems incredible to me. I do know I have given my all into this Activity--my very Life and Soul as well. I do know that the Good which the "Great Presence" was able to do through me will live Forever, and all else will be dissolved into its nothingness. It seems to me now, as I reflect, that the continuous statements of the Ascended Masters in the Dictations, saying how much was needed in getting out our Decrees "as never before"—for the Protection of America and all mankind—I became so imbued with the ideal of trying to render a Service, that that became an all-consuming desire—and possibly blinded me to other things. In the very great unhappiness of so many conditions existing at the same time, it may be that things were done in a way that seems like a miracle of Perfection compared to the way they might have been done.

The instructions in the telegram were carried out to the letter. I read it to the Group as directed. We had a short meeting, and then closed with a final Decree for the blessing and Invincible Protection for you, Lotus and Donald, and all your near and dear ones, and to make the coming Washington and Shrine Classes the most transcendent ever held. Then the Groups were dismissed and disbanded.

After winding up our Group affairs there was left in the reserve fund Three Hundred ($300) Dollars. Enclosed is a Cashier's Check from the Bank of America for that amount for you to use in any way you wish.

Thank you, dear Ones, for your willingness to carry this wonderful message of the "Mighty I Am Presence" and the Ascended Masters to the world. Thank you for the opportunity you gave me to try to serve. It has already been my joy to render a service to the Light these last two weeks which will make things just a little easier for you than otherwise might have been. I shall continue on in my endeavor. The only thing to live for is to try to render a service to the Light. I shall endeavor to do that throughout eternity. May the Infinite Blessings of Eternal Light drench you, Lotus, Donald, and all your near and dear ones, now and forever, with every good and Perfect Gift, and make your way beautiful, harmonious and Perfect. With all the Love of my heart, sincerely

In the Service of the Light,

HARRY N. ROGERS.

HNR

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [32]

Tenth Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about January 25, 1940, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly place and cause to be placed in the United States Post Office at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain letter in a postpaid envelope addressed to Mr. Harry N. Rogers, Occidental Life Ins. Co., 756 So. Spring St., Los Angeles, California, and which letter was of the following tenor, to-wit: [33]

[U. S. Exhibit No. 217]

The Biltmore Hotel
Los Angeles

January 25, 1940.
Apt. U.

Mr. Harry N. Rogers,
Occidental Life Ins. Co.,
756 So. Spring St.,
Los Angeles, Calif.

Dear Harry:

Having been behind the scenes and knowing something of what goes on, then adding to that the recent experiences we have been thru, we feel you will understand the delay in acknowledging receipt of the two checks you sent, which represented Love Gifts from your Group, now closed.

We wish to thank you with all our hearts for this acknowledgment of your loyalty to the Light and we bless you for same. We assure you we have blessed it and asked our Blessed Daddy to see that it is amplified a million fold and go forth to render blessings to mankind; also those who have contributed to this fund.

We are calling to our Beloved Saint Germain and Daddy to render you whatever assistance the Law of your Life Stream will permit, to charge you with the peace, harmony and freedom to which you are entitled and give to you your Freedom in this embodiment.

Kindly accept Don's and my sincere appreciation of your kind remarks and blessings, and we are always,

Sincerely in the Service of the Light,

MRS. G. W. BALLARD
DONALD BALLARD
By MRS. G. W. BALLARD

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [34]

Eleventh Count

And the grand jurors aforesaid upon their oath aforesaid do further present:

That they do reallege and incorporate herein, as if again set forth at length, all of the allegations of the first count of this indictment, except those allegations alleging the mailing of the check referred to in said count and therein described:

That the defendants, on or about September 9, 1940, then having devised the said scheme and artifice in said first count described, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly place and cause to be placed in the United State Post Office

at Los Angeles, County of Los Angeles, State of California, to be sent and delivered by the Post Office Establishment of the United States according to the directions thereon, a certain letter and "Special Notice" in a postpaid envelope addressed to Gladys Ethel Kemp, 110 W. Lomita Avenue, Glendale, California, and which letter was of the following tenor, to-wit: [35]

[U. S. Exhibit No. 104]

[Envelope]

Mrs. G. W. Ballard
If not delivered return to
The Biltmore Hotel
515 So. Olive Street
Los Angeles, Calif.

Gladys Ethel Kemp
110 W. Lomita Ave.
Glendale, Calif.

The Biltmore Hotel
Los Angeles

September 9, 1940

Gladys Ethel Kemp
110 W. Lomita Ave.
Glendale, Calif.

Beloved One of the Light:

Your registered letter of August 24th was duly received, but because of important duties to perform, it has been impossible to reply sooner.

In going over our previous correspondence with you, I find that in our letters we stated the Law very clearly, but as you know we never give advice, or tell others what they should do, other than to call the Law into action. I made the call on a number of occasions for the boy's release, and for his own Higher Mental Body to put him where he belongs, and that Perfection manifest to all concerned. I do not know personally whether his place is with you, or with his parents, but I do know that having called the Law into operation, and holding Harmony in the feeling world, that Law would have to operate for both him and all others concerned.

Regarding my furnishing you with money to go into court to press this matter, wish to state that I never made the statement that the money coming in from the Love Gifts was reserved for such purposes. I have stated many times that all money coming in belonged to Saint Germain, and would be used for the Expansion of the Light, but there has never been any provision made by Him that this money could be used for individual's personal use.

The "I Am" School is an independent activity, and in no way connected with this activity financially, nor would it be obligated to furnish money for such a condition.

If you are a real "I Am" Student, and have attended the Classes, then you must know the Law concerning the release of finances—that you cannot look to persons, places, conditions or things, but you must call to your "Mighty I Am Presence" to re-

lease it from the perfect channel it desires, and if you will stand unwavering without fear and doubt, you will find that coming forth.

I call the Infinite Powers of Light into action to flood your being and world with an abundance of every good thing, to charge you with Happiness, Peace, and Victory's Victories and Miracles of the Light, eternally sustained and ever-expanding.

Sincerely in the Light

MRS. G. W. BALLARD

By MRS. G. W. BALLARD

Special Notice

Since writing the copy for the Notice of our Beloved Messenger's Records in the May "Voice," we have succeeded in securing a beautiful blue transparent, flexible material for making our phonograph records in the future, and because of the special healing quality and vibratory action of same it will add much to the value of these records.

The new pressings of our Messenger's Records now being made and all pressings in the future of the instrumental and vocal records, will be made from this new material.

We know you will be happy to have these beautiful blue records as they carry a special healing radiation. We have been working on these for a long time and now feel they are perfected to the point where we can offer them to the public.

Please send orders for all phonograph records direct to the Saint Germain Press, Inc., Los An-

geles, Calif., P. O. Box 428, as all shipments in the future will be made from Los Angeles direct, instead of the Chicago Office.

Because of the increased cost of this special material, it will be necessary to increase the cost slightly. Prices will be as follows:

All double faced records made from blue transparent material $3.00 each—Shipping charges extra.

All records now on hand made from the regular material will be sold at the prices as formerly quoted. $2.50 for double faced records—Shipping charges extra.

MRS. G. W. BALLARD and
DONALD.

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America. [36]

Twelfth Count.

And the grand jurors aforesaid upon their oath aforesaid do further present:

That

EDNA W. BALLARD, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King, Chanera;
DONALD BALLARD, alias Edona Eros Ballard, Lafayette;
BETTY MUNDY;
PAUL STICKELL;
LOUISE MAJERUS; and
WILLIAM J. CASSIERE,

the identical persons named in the first count of this indictment and hereinafter referred to as the defendants, heretofore, to-wit: prior to the dates of the commission of the overt acts hereinafter alleged, and continuously thereafter down to and including the date of the filing and return of this indictment, at Los Angeles, California, in the Central Division of the Southern District of the State of California and within the jurisdiction of this Court and at divers other places within the jurisdiction of this Court and in the states of Illinois, Ohio, New York, Utah, Florida, Texas, the District of Columbia, and at various other places to the grand jurors unknown except as herein set forth, did knowingly, wilfully, unlawfully, corruptly, fraudulently, and feloniously conspire, combine, confederate and agree among themselves and with each other and with other persons whose names are to the grand jurors unknown, and with Guy W. Ballard, alias Saint Germain, Divine Messenger, Jesus, and Godfre Ray King (up to and including the date of the death of the said Guy W. Ballard), Carolie Hendrickson, John C. Koster, Harry N. Rogers, and Ted Dahl, named as co-conspirators but not indicted herein, to commit certain offenses against the United States, that is to say, that they, the said defendants, did so knowingly, wilfully, unlawfully, corruptly, and feloniously conspire, combine, confederate and agree among themselves and with each other and with other persons whose names are to the grand jurors unknown as aforesaid, [37]

to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises from those persons and class of persons described and named in the first count of this indictment as the persons intended to be defrauded, and others, the names of whom are too numerous to set forth herein, and for the purpose of executing such scheme and artifice, to place and cause to be placed in the Post Office Establishment of the United States, letters, circulars, books, advertisements, bulletins, magazines and other mail matter addressed to various and sundry persons residing within the United States, the names and addresses of said persons, other than as stated in the preceding counts of this indictment, being to the grand jurors unknown;

That said scheme and artifice to defraud and to obtain money, property, and other things of value by means of false and fraudulent pretenses, representations and promises, which the said defendants so conspired to devise and execute as aforesaid, as more particularly set forth and described in the first count of this indictment, are hereby realleged and incorporated herein as if set forth at length;

And the grand jurors aforesaid, upon their oath aforesaid, do further charge and present that at the hereinafter stated times, in pursuance of, and in furtherance of, in execution of, and for the purpose of carrying out and to effect the object, design and purposes of said conspiracy, combination, confederation and agreement aforesaid, the hereinafter

named defendants did commit the following overt acts:

(1) That at various times, the exact dates of which are unknown, but in the year 1929, Guy W. Ballard had several conversations with Carl A. Pierce in the city of Los Angeles respecting the alleged communications Ballard claimed to have had with the alleged Saint Germain; [38]

(2) That within the year 1934, Guy W. Ballard and Edna Ballard published, sold and circulated a book known as the "Unveiled Mysteries;"

(3) That on or about the 6th day of September, 1934, Guy W. Ballard employed Harry F. Sieber as his business manager;

(4) That on or about November 21, 1934, at the city of Chicago, Illinois, the defendant Donald Ballard, aljas Edona Eros Ballard, did cause to be written and did sign a certain letter addressed to "Dear Mr. Sieber;"

(5) That on or about the 15th day of January, 1935, Guy W. Ballard and Edna Ballard did engage Max Gysi as their business manager in connection with the "I Am" movement which they were then and there conducting;

(6) That on or about January 10, 1937, or shortly prior thereto, the defendant Edna Ballard did cause to be made certain corrections and additions to an alleged dictation of Jesus consisting in all of 11 pages, which said written instrument was termed and captioned as "Jesus' Morning Discourse on Mt. Olive—Lanning Class January 10, 1937;"

(7) That on or about August 16, 1937, at Seattle, Washington, the defendant Edna Ballard did originate and publish a certain two-page circular letter captioned "Further Instructions in Re: Radio Transcriptions," "Beloved Students of the Light."

(8) That on or about December 6, 1937, Ted Dahl did cause to be written and did sign a certain letter addressed to Mrs. Muriel Bliss, 4754 Virginia Avenue, Chicago, Illinois;

(9) That on or about March 28, 1938, at the city of Los Angeles, Ted Dahl did cause to be prepared and sent to Mrs. Muriel L. Bliss of Chicago, Illinois, a certain statement for charges for radio broadcasts;

(10) That in the year 1938, the exact date of which is unknown to grand jurors, the defendant William J. Cassiere did cause [39] to be published and circulated a certain leaflet pertaining to the "I Am" movement, under his name;

(11) That within the period of time from the year 1938 to and including the year 1940, the exact dates of which are unknown to the grand jurors, the defendant Paul Stickell did cause to be published and circulated a certain leaflet pertaining to the "I Am" movement, under his name;

(12) That on or about February 14, 1938, the defendant Edna Ballard did publish and cause to be published at Kansas City, Missouri, a two-page circular directed to "Precious Group Leaders," pertaining to radio broadcasting;

(13) That on or about June 30, 1939, at Los Angeles, California, Harry N. Rogers did originate and cause to be published a certain four-page circular letter addressed to "Blessed Crusaders of the Light," and did distribute the same among followers of the "I Am" movement;

(14) That on or about July 14, 1940, in the city of Los Angeles, State of California, at the Shrine Auditorium, Edna Ballard, Donald Ballard, Paul Stickell, Betty Mundy did participate in, attend, and assist in the conducting of a meeting before an assembly of followers attending the said Shrine Auditorium, which said meeting pertained to the teachings of the "I Am" movement.

Contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States of America.

WM. FLEET PALMER,
United States Attorney,
RALPH E. LAZARUS,
Assistant U. S. Attorney,
NORMAN W. NEUKOM,
Assistant U. S. Attorney.

A True Bill.

DAVID E. LLEWELLYN,
Foreman.

[Endorsed]: Filed Apr. 9, 1941. R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk.

[40]

[Title of District Court and Cause.]

DEMURRER

Come now defendants, Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and each of them, separately and individually, and for themselves alone, and demur to the indictment herein, and each and every count thereof, on the following grounds:

I.

That said indictment, and each and every count thereof, does not state an offense.

II.

That said indictment, and each and every count thereof, does not state an offense, in that said indictment, and each and every count thereof attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

III.

That said indictment, and each and every count thereof, fails to state an offense, in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any [41] part or portion of said religious

philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

IV.

That said indictment, and each and every count thereof, does not state facts sufficient to constitute an offense, in that it appears on the face thereof, that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

V.

That Count 1 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

VI.

That Count 1 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law

of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

VII.

That Count 1 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and [42] which are not subject to disproof under the Constitution of the United States, and of the law of the land.

VIII.

That Count 2 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

IX.

That Count 2 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks

to establish that the defendants do not believe that which they purport to believe.

X.

That Count 2 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XI.

That Count 3 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion [43] or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XII.

That Count 3 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that

the defendants do not believe that which they purport to believe.

XIII.

That Count 3 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XIV.

That Count 4 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XV.

That Count 4 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, [44] nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XVI.

That Count 4 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XVII.

That Count 5 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XVIII.

That Count 5 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XIX.

That Count 5 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be [45] sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XX.

That Count 6 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXI.

That Count 6 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXII.

That Count 6 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXIII.

That Count 7 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion [46] or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXIV.

That Count 7 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXV.

That Count 7 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXVI.

That Count 8 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXVII.

That Count 8 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendant, or the establishment thereof, or the free exercise thereof, and does not endeavor, [47] nor in any place state; that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXVIII.

That Count 8 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXIX.

That Count 9 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXX.

That Count 9 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXXI.

That Count 9 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be [48] sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXXII.

That Count 10 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXXIII.

That Count 10 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXXIV.

That Count 10 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXXV.

That Count 11 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion [49] or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXXVI.

That Count 11 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XXXVII.

That Count 11 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

XXXVIII.

That Count 12 of said indictment does not state an offense in that said indictment, and each and every count thereof, attacks and includes the entire religious beliefs of the defendants, and each of them, and seeks to attack the establishment of said religion or religious beliefs, or to prohibit or restrict the free exercise thereof, contrary to the Constitution of the United States, and the law of the land.

XXXIX.

That Count 12 said indictment does not state an offense in that said indictment, and each and every count thereof, attacks the entire religious philosophy of said defendants, or the establishment thereof, or the free exercise thereof, and does not endeavor, [50] nor in any place state, that any part or portion of said religious philosophy of itself violates any law of the United States, but merely seeks to establish that the defendants do not believe that which they purport to believe.

XL.

That Count 12 of said indictment does not state an offense in that on the face of said indictment, and each and every count thereof, it appears that the facts upon which the conviction will be sought are truly statements of opinion or of religious belief, and which are not subject to disproof under the Constitution of the United States, and of the law of the land.

Wherefore, these defendants pray that their demurrer be sustained; and for such other and further relief to which they may be entitled.

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT, JR.
By W. I. GILBERT, JR.
Attorney for Defendants.

[Endorsed]: Filed Aug. 25, 1941. [51]

[Title of District Court and Cause.]

MOTION TO QUASH

Come now the defendants, Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and move the court to set aside and quash the indictment herein, and each count thereof, returned against them in the above entitled case, on the following grounds and specifications:

I.

That said indictment, and each count thereof, sets forth matters which are redundant, irrelevant and immaterial, to the charge of using the mails to defraud and which create undue and irrevocable prejudice against said defendants. Said indictment and each count thereof sets forth matters of inference, opinion, conjecture, and abounds in uncertain statements, and is highly colored with prejudicial argumentative matter. That said indictment and each count thereof sets forth matters which are not subject to proof by reason of the fact that there is no standard by which there can be proved whether said matters are false or untrue in relation to religious and philosophical matters. That said allegations only tend to create prejudice and confuse the issues, and will permit or cause the jury to speculate as to the truth or falsity of such religious or philosophical matters to the prejudice of these defendants, and will interfere with the proper administration of justice. Said indictment and each count thereof sets forth matters, which will affect the substantial rights of these defendants in their beliefs, [52] which are guaranteed by the Constitution and the laws of the United States of America. That said matters will serve to confuse the issues, prejudice the rights of the defendants, which the trial court will be unable to dispel or cure by instruction.

II.

That said indictment, and each count thereof, contains allegations which on their face reveal that the government cannot, and will not, attempt to offer proof thereof to sustain said allegations which refer to the religious beliefs of said defendants, and which allegations in any event cannot legally be proved, for the reason that said religious beliefs and philosophical matters are protected against attack by the Constitution of the United States. That said indictment and each count thereof contains matters not subject to proof. That said matters which are protected by the Constitution of the United States will permit the jury to conjecture and speculate or pass upon the validity of the defendants' religious beliefs and faith, and thereby prevent said defendants from having that fair and impartial trial the law guarantees, and which said prejudice thereby developed cannot be dispelled by instruction of the court.

III.

That Count I, paragraph (i), subparagraph (1) of said indictment, and each and every count in said indictment, charges and alleges that there was falsely and fraudulently represented that the defendant Guy W. Ballard had attained a supernatural state of immortality which would enable him to conquer disease, death, old age, porverty and misery, and further charges that the defendants knew the said Guy W. Ballard had not attained a

state of self-immortality which would enable him to conquer disease, death, old age, poverty and misery, but was subject to disease and death common to mortal man, and did in fact die on December 29, 1939, in the City of Los Angeles, California, following an operation performed [53] upon him. That said allegations concerning the so-called death of Guy W. Ballard are irrelevant and immaterial in the charge of using the mails to defraud, nor would proof of said allegation disprove, or tend to disprove, the belief of said defendants concerning said matters, or disprove, or tend to disprove, their good faith in their belief in the alleged representations concerning the Ascension of said Guy W. Ballard, no other representation having been made. Said allegation is prejudicial to these defendants in that it will confuse the issue before the jury with respect to the matter of good faith of the defendants concerning their beliefs, and the issue presented is not whether the said Guy W. Ballard did or did not in fact possess said qualities, and that said allegations in the indictment, even if proved, do not show, or tend to show mail fraud, nor the good faith, or lack of good faith, of the defendants in their belief that the said Guy W. Ballard achieved the Ascension, or possessed such qualities.

IV.

That Count I, paragraph (i), subdivision (2) of said indictment, and each and every count in said indictment, charges and alleges that these defend-

ants falsely represented that Guy W. Ballard had been selected and designated by the Ascended Master, Saint Germain as a divine messenger; that the words of the Ascended Masters and the words of the divine entity, Saint Germain, would be transmitted to mankind through the medium of said Guy W. Ballard, and that the defendants knew that the said Guy W. Ballard was not a divine messenger, and that the said defendants knew that the said Guy W. Ballard had no divine or supernatural power. Said allegation upon its face reveals that the government cannot, and will not, endeavor to prove the said alleged representations were false or fraudulent because there is no standard or measure of truth or falsity of said beliefs set [54] forth in the law. Said issue is not whether the said Guy W. Ballard was or was not in fact a divine messenger, but to the contrary only whether these defendants in good faith believed he was a divine messenger, and that said issue is a matter of belief and opinion concerning spiritual or ethereal and religious matters which said beliefs and faiths are protected by the Constitution of the United States, and are not subject of proof or attack, but are in fact, protected against such, by the Constitutional laws of the land, and that said matters will cause and permit the jury to indulge in conjecture and speculation as to the truth or falsity of said qualifications in fact being possessed by the said Guy W. Ballard, rather than whether or not these defendants ever stated, or in good faith believed the

said Guy W. Ballard possessed said qualifications, and that said confusion and prejudice cannot be eliminated by instruction of the court.

V.

That Count I, paragraph (i), subdivision (3) of said indictment, and each and every count in said indictment, charges that the defendants represented that Guy W. Ballard, Edna W. Ballard and Donald Ballard, by reason of their high spiritual attainments and righteous conduct had been selected as divine messengers through which the words of Ascended Masters, including Saint Germain, would be communicated to mankind under teachings commonly known as the "I Am" movement, and that in fact defendants knew that "none, neither nor any of the three" persons had in fact achieved high spiritual attainment. It is further alleged that "none, neither nor any of the three designated persons had in fact lived a life either prior to the date set forth" in the indictment, or continuously up to or including the filing of the indictment, which said life adhered to or consisted of righteous conduct. Said charges and allegations are matters which are not subject to proof involving spiritual and religious beliefs and confuse prejudicially the issues herein, because it will permit the jury to speculate upon the truth or falsity as to whether or not the three named persons in fact were divine [55] messengers, or whether or not said defendants or any of them adhered to righteous conduct.

That said allegations will permit the jury to indulge in, conjecture or speculate concerning the standard of conduct of the defendants, as well as the said Guy W. Ballard, in their private life as to whether said conduct was or was not righteous conduct, which said matters will confuse and mislead the jury, and cannot be eliminated by an instruction of the court.

VI.

That Count I, paragraph (i), subdivision (4) of said indictment, and each and every count thereof, alleges that the defendants represented that Guy W. Ballard, Edna W. Ballard, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King and Chanera, and Donald Ballard, also known as Lafayette and Edona Eros Ballard, had by supernatural visitation been accorded supernatural state of self-immortality of body, and had been appointed messengers of divine entities and Ascended Masters, and that only through the medium of one, either or all of said designated persons that the teachings and principles of the alleged ascended masters and divine entities would be transmitted to mankind, whereas in truth and in fact defendants well knew that said representations pertaining to the said alleged self-immortality of Guy W. Ballard, Edna W. Ballard and Donald Ballard were false and fraudulent, and that the defendants knew that said representations as to the ability of one or either of said persons to transmit the messages of divine entities or ascended masters to mankind were false and fraudulent, and

that all of said designated persons were mortal persons without any supernatural powers. Said allegations in the indictment are not subject to proof and will permit the jury to speculate and conjecture and to compare their individual religious beliefs and organizations with which they are affiliated, or to which they belong, with those of the defendants. That the allegations contained therein as to whether or not said designated persons did or did not receive messages from divine entities is not subject to proof. Said allegations serve only to confuse and [56] mislead, in that it will permit conjecture and speculation as to whether or not in fact said messages or qualities existed, whereas the only issue that could be determined is whether or not defendants in good faith believed said conditions or qualities existed. That said allegations involve religious and spiritual beliefs of the defendants, and which said religious or spiritual beliefs are protected by the Constitution and laws of the United States.

VII.

That Count I, paragraph (i), subdivision (5) of said indictment, and each and every count thereof, charges that the defendants represented that the teachings, precepts, doctrines and principles published and promulgated by the defendants were the only channels through which the alleged spiritual teachings and words of Saint Germain, or other ascended masters, would be given to the world; and that the defendants represented that said words and

teachings promulgated under the movement known as the "I Am" movement were absolutely essential to the salvation of mankind; that the defendants knew that said representations were false and fraudulent; and had no foundation for representing to persons intended to be defrauded that said teachings, doctrines and precepts were absolutely essential to the salvation of mankind. That said charges involve only religious beliefs and spiritual concepts of the defendants herein, and tend only to confuse and mislead the jury, for it will permit the jury to speculate and indulge in conjecture as to whether or not in fact said teachings were given through the "I Am" movement, or were essential to mankind, whereas the issue is not whether said conditions in fact existed, but only whether or not the defendants in good faith believed them to exist, which said religious faith and belief is protected and guaranteed by the Constitution of the United States.

VIII.

That Count I, paragraph (i), subdivision (6) of said indictment, and each and every count thereof, charges that the [57] defendants represented that Guy W. Ballard in his life time, and Edna W. Ballard and Donald Ballard had attained a supernatural state of self-immortality, which enabled each of them to be entirely free from ailments common to man, and to conquer disease, death, old age, poverty and misery, and which said power and conditions defendants represented they could and would

transmit to others willing to pay therefor, or willing to part with other things of value, and which was done for the false and fraudulent purpose of securing money or other things of value from the persons intended to be defrauded, whereas, in truth and in fact the defendants knew that none, neither nor all of the designated persons had any such powers or qualities, and such conditions did not exist, and that said representations were false and fraudulent. That said allegations are redundant and tend only to mislead and confuse the issues and permit the jury to indulge in conjecture and speculation as to whether or not said qualities or conditions in fact existed, when in truth, no such claim was ever made, and whereas the only issue that could be raised thereon, if such claim had been made, is whether or not defendants in good faith believed said conditions or qualities to exist. That in the trial of the prior indictment the government did not produce any testimony, either directly or by inference, which showed or stated that these defendants, or any of them, represented that they had acquired or could transmit any of such qualities or conditions to others willing to pay therefor, or willing to part with other things of value, or otherwise, but to the contrary the evidence revealed that there was no charge or initiation fee or membership fee, nor any requirement to purchase any of the books or any materials as a condition either directly or indirectly in order to become a follower of said movement, or to receive the benefits the Instructions

offer. That said matters in the indictment tend further to prejudice, confuse and mislead the jury, and which cannot be eliminated by instruction of the court. [58]

IX.

That Count I, paragraph (i), subdivision (7) of said indictment, and each and every count thereof, charges that the defendants represented Guy W. Ballard, Edna W. Ballard and Donald Ballard, have by reason of supernatural attainments the power to heal persons of ailments and diseases and to make well persons afflicted with any disease, injury or ailments, and did falsely represent to persons intended to be defrauded that the said three designated persons had the ability to cure persons of those diseases normally classified as curable, and also of diseases which are ordinarily classified by the medical profession as being incurable diseases; and further represented that said three designated persons had in fact cured either by the activity of one, either or all of said persons, hundreds of persons afflicted with diseases and ailments; whereas in truth and in fact the defendants, and each of them, knew that none of the three designated persons possessed such powers, or had ever cured any persons suffering from curable or incurable diseases or ailments, and that said representations were made for the purpose of acquiring influence over others intended to be defrauded. Said allegation is confusing and misleading to a jury because, among other

reasons, the proof in the previous trial clearly showed that no such representations were made, but that defendants taught such individuals to call forth their own powers in the nature of prayer or decree, in order to effect a cure of any disease from which they might be suffering, and that said allegations are further misleading and confusing in that they will permit the jury to indulge in speculation, and to speculate as to whether or not in fact such persons were powerless to call forth their own powers to effect a cure of any disease from which they might be suffering, whereas the only issue involved is whether or not said defendants, in good faith, believed such powers or qualities to exist, and which said belief is not subject to legal proof and decision thereon could only be reached by indulging in confusion and speculation by the jury. [59]

X.

That Count I, paragraph (i), subdivision (8) of said indictment, and each and every count thereof, alleges that the defendants by direct representations and by innuendos worded and delivered in such a manner as to cause a belief among persons willing to accept the teachings of the "I Am" movement, that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, and each of them, had by reason of divine origin acquired a great healing power and did represent to the followers of the movement they might also acquire such healing power and be able to achieve perfect bodies and

heal themselves of all human ailments if said followers would give implicit obedience to the precepts, principles, teachings and doctrines of the "I Am" movement; whereas in truth and in fact defendants, and each of them, well knew that none, neither, nor any of said designated persons had any such power to heal, and did not in fact have the power to transfer to others their alleged power to heal persons of human ailments, or to achieve perfect bodies free from disease common to mankind. Said paragraph of the indictment is redundant and misleading in that it merely charges that defendants taught that the followers of the movement could acquire a healing power if they would obey the principles and teachings of the "I Am" movement, but that the designated persons had no power to transfer to others their ability to heal human beings, and it is not alleged in said indictment that the defendants represented that either Guy W. Ballard, Edna Ballard or Donald Ballard could transfer any such powers, but only that the defendants represented that persons following the movement could acquire such powers. Said paragraph is further confusing and misleading in that it will permit the jury to speculate as to whether or not such powers could or could not in fact be acquired, and permit the jury to apply as a standard their own individual views as to such matters, whether such views of the jurors be that of skeptic, atheist or agnostic. That such beliefs are not the [60] subject of proof, and are a matter of common knowledge, and many thousands

of persons believe in their ability to cure ailments by reason of a mental or divine power, as is evidenced by the many adherents to Christian Science, and others.

XI.

That Count I, paragraph (i), subdivision (9) of said indictment, and each and every count thereof, charges that the defendants represented as a part of the scheme to defraud that Guy. W. Ballard, Edna W. Ballard and Donald Ballard had a divine supernatural ability to bring forth from a supernatural state money, riches and other material needs necessary to mankind, which power defendants represented they could transfer to others willing to pay therefor, or willing to part with things of value therefor, whereas in truth and in fact defendants knew that none, neither nor all of them had any such power or ability of precipitation, and all of said representations were false and fraudulent. Said allegations are uncertain and ambiguous and challenge the common beliefs of nearly all religions, and that the evidence in the previous trial did not show that any such representations were made, to wit, said powers could be transferred to others willing to pay or part with things of value therefor: and in truth and in fact there is no initiation fee, membership fee or requirement to part with money or any other thing of value as a condition to becoming a follower or remaining a follower of the "I Am" movement, or for receiving and acquiring every good and perfect quality. Said allegation is

confusing and misleading, and will permit the jury to apply their individual opinion as to whether or not said condition or conditions do or could in fact exist, whereas only the belief of said defendants in anything taught, could be involved, and that all such belief or beliefs of defendants relate to religious and spiritual matters, freedom of which is protected and guaranteed by the Constitution of the United States.

XII.

That Count I, paragraph (i), subdivision (10) of said [61] indictment, and each and every count thereof, alleges that the defendants published, sold and caused to be published and sold over approximately six years certain books wherein and whereby the defendants falsely represented said books were the works of divine visitations and directions by Saint Germain and other supernatural entities appearing in various supernatural visitations to one, either or all of the defendants Guy W. Ballard, Edna W. Ballard and Donald Ballard. That said books contain divine instructions for the salvation of mankind, and defendants represented that Guy W. Ballard, Edna W. Ballard and Donald Ballard actually encountered the experiences related in said book, whereas in truth and in fact none of said persons encountered said experiences. Defendants further represented that Saint Germain and other ascended masters communicated to mankind solely through the medium of one or more of the designated defendants, Guy W. Ballard, Edna W. Bal-

lard or Donald Ballard, and that the defendants did endeavor to and did sell copies of said book as a part of the scheme to defraud persons intended to be defrauded; that the three designated persons, Guy W. Ballard, Edna W. Ballard and Donald Ballard had divine and supernatural ability to bring forth from the supernatural state money, riches and other material needs necessary to mankind, but defendants represented that in order to transmit it to others willing to pay therefor, or willing to part with things of value therefor, whereas in truth and in fact defendants knew that none, neither nor all of them had such supernatural powers or ability of precipitation, and that said representations were false and fraudulent. Said paragraph is ambiguous, confusing and misleading in that it refers to certain individuals representing they had had experiences in certain books and then alleges that the said designated persons did not have the ability to bring forth money, riches or other material needs necessary to mankind. Said paragraph is confusing and misleading in that it refers to said Guy W. Ballard as a defendant, whereas in truth and in fact said Guy W. Ballard is not named in said indictment as [62] a defendant, and said allegations with respect to the experiences contained in said book cannot, and the government will not endeavor to prove the same, for at the last trial it did not appear that either Edna W. Ballard or Donald Ballard claimed or represented they had had the experiences therein, or that the other named

defendants had claimed to have had any such experiences as are revealed in said books, or that Saint Germain or any other ascended master communicated to mankind solely through any of the designated defendants, or any person other than said Guy W. Ballard, or that any defendant represented that they could transmit powers to others willing to pay money or part with other things of value therefor. Said paragraph is further confusing and misleading in that it will permit each individual juror to apply his own individual opinion, based solely upon conjecture or speculation, as to whether or not in fact divine or supernatural experiences or visitations were had or could be had, and said allegations are not subject to proof in that they involve purely the religious or spiritual beliefs of the defendants, the freedom of which is protected and guaranteed by the Constitution of the United States.

XIII.

That Count I, paragraph (i), subdivision (11) of said indictment, and each and every count thereof, charges that the defendants published and sold for a period of approximately six years certain books wherein and whereby the defendants falsely represented that the books were the result of divine visitation and dictation by Saint Germain and other supernatural entities appearing to one, either or all of the defendants Guy W. Ballard, Edna W. Ballard and Donald Ballard; that said defendants represented said books contained the divine instruc-

tions for the salvation of mankind, and that the defendants represented that Guy W. Ballard, Edna W. Ballard and Donald Ballard actually encountered the experiences pertaining to each of their said names as related and set forth in said books, whereas in truth and in fact none of said [63] persons encountered said experiences, and said ascended master communicated to one or more of the designated persons, and that they did sell copies of said books knowing that said representations with respect to the origin and divine inspiration were false and fraudulent, fully knowing said books were not divine or inspired, and whereas they were in fact the writings of one or more of said Guy W. Ballard, Edna W. Ballard or Donald Ballard, together with extracts and the substance of material and incidents from occult and metaphysical writings of others, persuading persons intended to be defrauded that in their aim and desire to acquire salvation and self-immortality, they must purchase from said defendants said books. Said charges are not susceptible of proof, in that testimony at the last hearing did not purport to establish either by direct or inferential testimony that defendants, or any of them, stated anyone must purchase said books to accomplish any purpose or be or remain a member of the "I Am" movement. Said paragraph is confusing and misleading in that it permits each individual juror to indulge in conjecture and speculation as to whether or not in fact such divine visita-

tions could or could not exist, rather than whether or not defendants believed supernatural visitations to have occurred. Said paragraph challenges the common religious beliefs and experiences of mankind concerning the power of a Divine Being to reveal Himself to certain chosen or any persons and to communicate with them. Said paragraph, among others referred to, likewise designates the said Guy W. Ballard as a defendant, when in truth and in fact the said Guy W. Ballard is not named a defendant in said indictment and which will confuse and mislead the jury and permit them by reason of the charge of conspiracy to impute the verity of the thoughts or religious beliefs of the said Guy W. Ballard to the defendants designated in said indictment.

The proof in the prior case revealed Guy W. Ballard is asserted to have had certain experiences as contained in the books mentioned in the indictment, and whether said Guy W. Ballard did or did not have such experiences, or whether or not he had divine [64] visitations is not subject to disproof.

XIV.

That Count I, paragraph (i), subdivision (12) of said indictment, and each and every count thereof, charges "that over a period of seven years last past the defendants published, circulated and sold booklets, circulars, letters, edicts, decrees and musical compositions circulating and selling the same to persons intended to be defrauded by the false represen-

tations, or compositions were divinely inspired and dictated by supernatural entities or ascended masters and were a part of the means by which such persons could attain divine salvation, and said defendants knew that said publications were man written and that said representations were false and fraudulent." That said allegation is also confusing and misleading, and that it will permit the jury to speculate upon the basis of their own individual opinion as to whether or not the matters contained in said booklets, circulars, letters, edicts, or decrees, were or were not inspired divinely, or in any other manner, or dictated by reason of the Supernatural Beings, entities, or otherwise, and said specification is uncertain and ambiguous in that it cannot be ascertained therefrom how or in what manner it is contended that such magazines, booklets, circulars, letters, edicts, decrees or musical compositions were a part of the medium by which persons were intended to be defrauded, and that it is further not susceptible of proving the contention that said magazines, booklets, circulars, letters, edicts, decrees or musical compositions would or would not procure or tend to procure divine salvation. Said specification challenges the common belief of mankind that they may obtain their salvation by the reading of and adhering to the principles set forth in the books of their given religion, as for example the Holy Bible. [65]

XV.

That Count I, paragraph (i), subdivision (13) of said indictment, and each and every count thereof, charges that the defendants, and each of them, represented both orally and by writings that it was solely by reason of their teachings and the embodiment in the "I Am" movement, and because of their divine power and influence that the United States of America was saved from destruction, and that by divine inspiration there had been accorded to them the ability to maintain the sovereignty and general welfare of the United States of America. That by reason thereof they represented to persons intended to be defrauded that it was absolutely necessary that complete obedience be had to their teachings, commands, and decrees for the safety, welfare and sovereignty of the United States and for divine justice to be had in governmental activities. That said defendants knew that said representations were false and untrue and had no foundation in fact, or that the welfare or safety of the United States did not depend upon persons following the teachings or commands of their movement. That the evidence in the prior action showed that defendants in their movement maintained, among others, as one of their principles that adherents to this movement be loyal to their country, and to respect the flag, and the principles of government for which it stands, Further, that it is not susceptible to disproof that the teachings of the defendants herein have assisted in maintaining the sovereignty or general welfare of

this country, and that said specification is ambiguous, misleading, and that it will merely permit the jurors to apply their individual opinion, but based upon skepticism, or otherwise, as to whether or not the teachings of the movement are, or are not, constructive, as related to the debts and obligations of citizens to their government. That said specification further involves purely political matters and opinions concerning political matters of which everyone is entitled to his private beliefs, and is not required to be in accordance with any [66] political party or principle thereof. It is not charged in said specification that defendants, or any of them, were engaged in any subversive or illegal activities in so far as the government is concerned, but merely states in general and ambiguous language that the defendants have asserted an influence in our government no different than the influence that may properly be asserted by any individual or legal political party now in existence.

XVI.

That Count I, paragraph (i), subdivision (14) of said indictment, and each and every count thereof, alleges that "the defendants represented that reproductions of the painting of a picture represented by the defendants as being an actual picture of the ascended master Saint Germain was the result of a visitation by Saint Germain before one Charles Sindelar; it was represented that Saint Germain appeared before the said Charles Sindelar for said painting; and it was represented that the purchase

of said picture was desirable in the aim and hope of others to achieve salvation. That in truth and in fact defendants knew that said picture was copied from an existing picture painted approximately twenty years prior by Theresa de Carranza and that said reproductions were made for the purpose of sale." That said specification is improper herein for the reason there is not the slightest resemblance of the Sindelar picture to the Carranza picture, and further, the said Charles Sindelar was a defendant in the previous trial, and all of the matters alleged in this specification were the subject of proof, and proffered proof, in said prior action, and which resulted in the acquittal of said Charles Sindelar by the jury upon all counts. Further that said specification therein is not susceptible of proof for the reason that the government cannot disprove that the said Charles Sindelar had such visitation, and that said specification does not charge that any promise or reward would be obtained by the purchase of said picture, but only that said purchase was desirable.

[67]

XVII.

That Count I, paragraph (i), subdivision (15) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented that the purchase of certain charts, phonograph records and articles sold by the defendants intended to be defrauded would bestow upon said purchasers great blessings and rewards in their aim to achieve salvation, whereas in truth and in fact said representa-

tions had no foundation, and were well known to be false and fraudulent, and that said articles, charts and records were man-made and had no ability to aid in achieving salvation." Said paragraph is uncertain and misleading in that it charges that the defendants knew that said articles, charts and records were man-made, without charging that the defendants ever made any representations that said articles, phonograph records or charts were other than man-made. That said specifications are unsusceptible of proof in that the government did not produce credible evidence that said charts, records or articles did not assist in achieving salvation, and that said specification challenges the common belief of mankind that certain articles or tokens do assist in achieving salvation, such as is generally believed by those of the Catholic faith, and that the freedom of said opinions and beliefs are guaranteed and protected by the Constitution of the United States.

XVIII.

That Count I, paragraph (i), subdivision (16) of said indictment, and each and every count thereof, alleges that "the defendants, and each of them, falsely represented from time to time there would be an actual visitation in one or more designated cities or places in the United States of ascended masters or divine entities, which said divine entities would appear in physical form before the assembly of followers, and by reason thereof defendants acquired a hypnotic control, power and domination

over the persons intended to be defrauded, to-wit, the followers of the "I Am" movement, causing [68] said followers to reach a high state of emotionalism; that by reason thereof they were willing to travel from far distances at great expense to themselves under the hope and expectation that they would view the physical appearance of an ascended master or other divine entity, and that defendants knew that said representations were false and fraudulent and were made with the aim, purpose and desire of acquiring domination and control over the followers of said movement. That subsequent to such meetings the defendants would state that the divine entity had failed to appear because of a lack of harmony existing among the followers of said movement present at the time for appearance." Said specification is confusing and misleading in that it allows and permits each individual juror to analyze with his individual opinion colored by preconceived ideas and convictions that no Court instruction can change, as to whether or not a divine appearance could or could not occur. Such specification is not susceptible of proof, direct or indirect, as to whether certain divine entities did or did not appear, or the reasons therefor. That said specification, either of itself or in connection with all other paragraphs, simply relates to and attacks a religious belief, and is contrary to the protection afforded such freedom of belief by the Constitution of the United States.

XIX.

That Count I, paragraph (i), subdivision (17) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented that a cataclysm or the end of the world was approaching within the life span of persons now living; that there was no necessity to provide for the future or to save money or other things of value possessed by the persons intended to be defrauded, and that in lieu thereof the followers of said movement should withdraw their funds from banks, life insurance companies and other financial institutions accepted by normal persons and turn said moneys over to the defendants, and that the defendants had no reason to believe that the end of the world or a cataclysm was about to occur, and made such representations as a [69] part of their program to command obedience of their followers." Said specification is based upon false premise, as the record of the former trial shows, and is based on false premises as to the allegation that any defendant ever recounted to anyone that he or she should convert anything into money, and particularly should give such money, or anything else, to defendants, and is uncertain and misleading and merely seeks to assert that the defendants had no reason to believe that a cataclysm would occur. Said specification is ambiguous as what it is claimed the cataclysm meant. That it is, that if subject to proof at all, the opinion of many persons that the present condition of the world as it appears today may well be called cata-

clysmic. Said specification merely permits each individual juror to speculate as to whether or not the defendants did or did not have a reason to believe that the end of the world, or a cataclysm, would or would not occur. Such specification challenges the common belief of many men, and the belief that a cataclysm or the approaching end of the world is an accepted religious belief, the right to which, and the freedom thereof from attack, is protected and guaranteed by the Constitution of the United States.

XX.

That Count I, paragraph (i), subdivision (18) of said indictment, and each and every count thereof, alleges that "defendants falsely represented that any person who criticized or questioned the teachings of the defendants would be denounced or punished by ascended masters, and would create fear, confusion and obedience among the followers of said movement, whereas in truth and in fact defendants, and each of them, knew that the criticism or questioning of the teachings of said movement would not be punished by ascended masters, or denounced by ascended masters." That said specifications challenges almost universal religious belief in that each religion insists and demands that their God and His teachings shall be followed implicitly, and said principle is a common principle of religion, the freedom of which is protected and guaranteed by the Constitution of the United States. [70]

XXI.

That Count I, paragraph (i), subdivision (19) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented to the followers of the movement, and the general public, that if the said persons would follow the principles, doctrines and precepts of the "I Am" movement, and the teachings of the defendants prior to death, said persons would achieve the ability to make their actual physical ascension in their physical, tangible bodies, and would in fact ascend and not die, and that during such ascension said persons would have the ability to and would associate with alleged divine entities and ascended masters and would at their pleasure be able to return from their ascended position to earth and reascend if they so desired; and that defendants represented that persons who accepted the teachings and doctrines taught by the defendants had in fact so ascended in their physical, tangible and earthly bodies, whereas in truth and in fact defendants, and each of them, had no foundation for such representations, and knew that said representations were false and fraudulent." Said specification is confusing and misleading, and would merely permit the jurors to exercise their individual opinion of the Ascension, and confuses the True Teachings with the theory of reincarnation, which theory is accepted as true by many persons, and is and has been a principle of religion since recorded history, and the freedom

to believe in such principles and have such opinions are among those protected and guaranteed by the Constitution. That the government cannot, and it is not susceptible of proof to, show that followers, or non-followers, of the "I Am" movement have not ascended or returned to this earth, but in the trial of the previous action no proof was offered by the government either directly or indirectly that the defendants had ever represented that persons could ascend, return from their ascended position, and reascend if they so desired. [71]

XXII.

That Count I, paragraph (i), subdivision (21) of said indictment, and each and every count thereof, sets forth that "the defendants, with the intention on their part to cheat, wrong and defraud other persons did receive money, property and other things of value under the guise and pretense of the same being salaries, loans, bonuses, love gifts, donations, expensive and luxurious living accommodations and expensive traveling facilities," whereas in truth and in fact the government was in possession of all the books and records of the defendants, and of the corporations in which the defendants were associated, or knew of, during the trial and for a considerable time prior thereto. That the government did not introduce any evidence of salaries, loans, bonuses, and only showed there had been gifts designated as love gifts in small amounts over a large period of time, but there was no financial con-

nection between the defendants and any of the group activities throughout the United States, but that defendant Edna W. Ballard is a class leader and messenger, but that all Group Activities in the United States and other countries are conducted independently of any financial support from the Messengers, by their own group leaders. That there are no financial reports of any kind at any time made to any of the defendants from any of the various groups or Student meetings throughout the United States or elsewhere, nor is there any initiation fee or charter fee or membership fee, or any other charge of any nature whatsoever, as a condition to the commencement or continuation of a class or Group Activity, or of becoming associated with, or of continuing to follow such movement.

XXIII.

That each and every specification or allegation of said indictment, either singly or collectively, states no offense, but to the contrary it appears therefrom that the indictment endeavors to present an attack on a complete and entire theory or religious [72] system, and merely asserts that concepts which are commonly and universally accepted among religious people are not believed by these defendants. Said indictment does not present any facts or any situation in which a separate or commonly accepted crime is endeavored to be justified by using religion as a cloak, but to the contrary the indictment merely asserts that the defendants do not believe commonly

and universally accepted religious principles, which said principles and opinions and the right to believe therein is protected and guaranteed from attack by the Constitution of the United States.

XXIV.

Said defendants further move to quash said indictment because said indictment and the allegations it contains, viewed under the true facts and circumstances existing and developed at the trial do not constitute a violation of any law of the United States. Because said indictment improperly, unfairly, scandalously and unjustly attempts to charge a violation of the United States statutes prohibiting the use of the United States mails for fraudulent purposes, under the rule announced by the Circuit Court of Appeals of the Ninth Circuit in New v. United States, 245 Fed. 710, when in truth and in fact there is no element of mail fraud contained in the facts adduced at the trial of and existing in this matter, and not the slightest similarity of facts herein to those of the New case. Because said indictment attempts, but wholly fails under the facts, to come within the discussion of the Judge who wrote the opinion in the case of New v. United States, supra, wherein the Court laid down the rule that a religious or spiritual activity could not be used as a cloak to justify the use of the mails to defraud others. The rule in that case is not disputed by these defendants and is supported and upheld by the good people of the country as a correct interpretation of the law under proper supporting facts. There is not

an element in the present case that comes within the rule of the New case. In the former case there is probably not an intelligent layman in the [73] country but who would agree to the principle stated under the facts of deceit, fraud, immorality and misdoings, proved before the Court. In the case at bar there is no fraud, no deceit, no debauchery, not even requests or urge for money, and only the highest concept of Purity, the Christ, God and the Christian Ideals are taught; whereas, the New case as established and sustained by proof of acts and practices that no upright follower of the Master Jesus would approve. In the case at bar, the defendants were proved to be people of the highest type of culture and refinement, and not a witness testified to the confrary, engaged in offering to the world the most advanced concept of purity and a better life, the Christ and God than has ever before been offered to the people of earth. Their sincerity and upright purpose is above criticism or reproach. The facts clearly establish that they never solicit money or permit others to do so. All support for this Activity comes as a free love gift, whereas in the New case, and all others wherein convictions have been sustained, there was a purpose apparent and clearly established, to gain individual profit, under a false cloak of religion. In the present case, these defendants have sought nothing for themselves, but have expended all free will offerings, there being no other kind of support from the public, in an effort to enlighten the people so that they

may intelligently accept or reject the instructions in the exercise of individual free will. [74]

Wherefore, defendants pray that this indictment be quashed and that they not be called upon to plead further.

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT JR.
By W. I. GILBERT JR.

[Endorsed]: Filed Aug. 25, 1941. [75]

In the District Court of the United States
Southern District of California
Central Division

No. 14858

UNITED STATES OF AMERICA,

Plaintiff,

v.

EDNA W. BALLARD, et al.,

Defendants.

SUPPLEMENT TO MOTION TO QUASH

Come now the defendants, Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and as a supplement to their Motion to Quash, move the court to set aside and quash the indictment herein, and each count thereof, returned against them in the above

entitled case, on the additional ground and specification, as follows:

I.

That said panel of grand jurors summoned for said term of court is composed exclusively of persons of the male sex, while all persons of the female sex, although consisting and constituting at least one-half of the population and of the registered voters in said Division and District, and possessing the qualifications of jurors prescribed by law, were excluded therefrom on the ground of their sex, and have been so excluded from serving on said grand jury in said District Court for a great many years, which is a discrimination against these defendants, and particularly of the defendants, Edna W. Ballard, Betty Mundy and Louise Majerus, since they are persons of the female sex; and that such discrimination is a denial to them of the equal protection of the laws and due process of law as guaranteed by the Constitution and laws of the [76] United States, and particularly Article 5 of the Amendments to the Constitution of the United States.

Respectfully submitted,

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT, JR.
By W. I. GILBERT JR.
Attorneys for Defendants.

[Endorsed]: Filed Aug. 25, 1941. [77]

[Title of District Court and Cause.]

MOTION TO STRIKE

Come now the defendants, Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and each of them, separately, individually, and for themselves alone, and move the court to strike from said indictment, as follows:

I.

Each and every count of said indictment, and each and every portion thereof, on the ground that said indictment endeavors and purports to attack the entire religious philosophy of said defendants, and does not endeavor or purport to state any particular violation of law which the defendants seek to sustain upon the grounds of religious belief, but to the contrary merely set forth matters of opinion or religious belief which are not subject to disproof under the Constitution of the United States, or the law of the land.

II.

Move to strike from Count I, subparagraph (10), paragraph (i) of said indictment the words "Guy W. Ballard" following the word "defendants", for the reason that the said Guy W. Ballard is not now, nor has been, a defendant named in said indictment. For convenience and ready reference said paragraph is quoted in part as follows: [78]

". . . and other alleged supernatural entities appearing in various supernatural visitations to

one, either, or all of the defendants Guy W. Ballard, Edna W. Ballard, and Donald Ballard; . . ."

(The name sought to be stricken is underlined in said quotation)

This to be stricken for the reason that said reference to Guy W. Ballard as being a defendant in the indictment is prejudicial and misleading, and permits the jury to impute the transactions or activities of the said Guy W. Ballard to the remaining defendants, upon the theory that the said Guy W. Ballard is named as a defendant in the indictment, when in fact he is not.

III.

Move to strike from Count I, subparagraph (11), paragraph (i) of said indictment the words "Guy W. Ballard" following the word "defendants", for the reason that the said Guy W. Ballard is not now, nor has been, a defendant named in said indictment. For convenience and ready reference said paragraph is quoted in part as follows:

". . . and other alleged supernatural entities appearing in various supernatural visitations to one, either, or all of the defendants Guy W. Ballard, Edna W. Ballard, and Donald Ballard; . . ."

(The name sought to be stricken is underlined in said quotation)

That said motion is made for the same reasons as in the last paragraph set forth.

IV.

Move to strike from Count I, subparagraph (14) of paragraph (i) of said indictment in its entirety, for the reason that said paragraph endeavors to charge as a fraud the painting of Ascended Master Saint Germain by Charles Sindelar, and to impute the conduct of the said Charles Sindelar to these defendants as [79] members of the conspiracy, when in truth and in fact the said Charles Sindelar was acquitted of said charge in the previous trial.

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT, JR.
By W. I. GILBERT, JR.
Attorneys for Defendants

[Endorsed]: Filed Aug. 25, 1941. [80]

[Title of District Court and Cause.]

AMENDED MOTION TO QUASH

Come now the defendants, Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and each of them, separately and individually, and for themselves alone, and move the court to set aside and quash the indictment herein, and each count thereof, returned against them in the above entitled case, on the following grounds and specifications:

I.

That said indictment, and each count thereof, sets forth matters which are redundant, irrelevant and immaterial to the charge of using the mails to defraud and which create undue and irreparable prejudice against said defendants. Said indictment, and each count thereof, sets forth matters of inference, opinion, conjecture, and abounds in uncertain statements, and is highly colored with prejudicial argumentative matter. That said indictment, and each count thereof, sets forth matters which are not subject to proof by reason of the fact that there is no standard by which there can be proved whether said matters are false or untrue in relation to religious and philosophical matters. That said allegations only tend to create prejudice and confuse the issues, and will permit or cause the jury to speculate as to the truth or falsity of such religious or philosophical matters to the prejudice of these defendants, and will interfere with the proper [81] administration of justice. Said indictment, and each count thereof, sets forth matters which will affect the substantial rights of these defendants in their beliefs, which are guaranteed by the Constitution and the laws of the United States of America. That said matters will serve to confuse the issues, prejudice the rights of the defendants, which the trial court will be unable to dispel or cure by instruction.

II.

That said indictment, and each count thereof, contains allegations which on their face reveal that the

government cannot, and will not, attempt to offer proof thereof to sustain said allegations which refer to the religious beliefs of said defendants, and which allegations in any event cannot legally be proved, for the reason that said religious beliefs and philosophical matters are protected against attack by the Constitution of the United States. That said indictment, and each count thereof, contains matters not subject to proof. That said matters which are protected by the Constitution of the United States will permit the jury to conjecture and speculate or pass upon the validity of the defendants' religious beliefs and faith, and thereby prevent said defendants from having that fair and impartial trial the law guarantees and which said prejudice thereby developed cannot be dispelled by instruction of the court.

III.

That Count One, paragraph (i), subparagraph (1) of said indictment, and each and every count in said indictment, charges and alleges that there was falsely and fraudulently represented that the defendant Guy W. Ballard had attained a supernatural state of immortality which would enable him to conquer disease, death, old age, poverty and misery; and further charges that the defendants knew the said Guy W. Ballard had not attained a state of self-immortality which would enable him to conquer disease, death, [82] old age, poverty and misery, but was subject to disease and death common to mortal man, and did in fact die on Decem-

ber 29, 1939, in the City of Los Angeles, California, following an operation performed upon him.

Said paragraph is confusing and misleading in that it refers to said Guy W. Ballard as a defendant, whereas in truth and in fact said Guy W. Ballard is not named in said indictment as a defendant, and which will confuse and mislead the jury concerning the beliefs of the defendants concerning said matters. That said allegations concerning the so-called death of Guy W. Ballard are irrelevant and immaterial in the charge of using the mails to defraud, nor would proof of said allegation disprove, or tend to disprove, the belief of said defendants concerning said matters, or tend to disprove, their good faith in their belief in the alleged representations concerning the ascension of said Guy W. Ballard, no other representation having been made. Said allegation is prejudicial to these defendants in that it will confuse the issue before the jury with respect to the matter of good faith of the defendants concerning their beliefs, and the issue presented is not whether the said Guy W. Ballard did or did not in fact possess said qualities, and that said allegations in the indictment, even if proved, do not show, or tend to show, mail fraud nor the good faith, or lack of good faith, of the defendants in their belief that the said Guy W. Ballard achieved the ascension or possessed such qualities.

IV.

That Count One, paragraph (i), subdivision (2) of said indictment, and each and every count in said

indictment, charges and alleges that these defendants falsely represented that Guy W. Ballard had been selected and designated by the Ascended Master, Saint Germain, as a divine messenger; that the words of the Ascended Masters and the words of the divine entity, Saint Germain, would be transmitted to mankind through the medium of said Guy W. [83] Ballard, and that the defendants knew that the said Guy W. Ballard was not a divine messenger, and that the said defendants knew that the said Guy W. Ballard had no divine or supernatural power.

Said allegation upon its face reveals that the government cannot, and will not, endeavor to prove the said alleged representations were false or fraudulent because there is no standard or measure of truth or falsity of said beliefs set forth in the law. Said issue is not whether the said Guy W. Ballard was or was not in fact a divine messenger, but to the contrary only whether these defendants in good faith believed he was a divine messenger, and that said issue is a matter of belief and opinion concerning spiritual or ethereal and religious matters, which said beliefs and faiths are protected by the Constitution of the United States, and are not subject *or* proof or attack but are in fact protected against such by the Constitutional laws of the land, and that said matters will cause and permit the jury to indulge in conjecture and speculation as to the truth or falsity of said qualifications in fact being possessed by the said Guy W. Ballard, rather than

whether or not these defendants ever stated or in good faith believed the said Guy W. Ballard possessed said qualifications, and that said confusion and prejudice cannot be eliminated by instruction of the court.

V.

That Count One, paragraph (i), subdivision (3) of said indictment, and each and every count in said indictment, charges that the defendants represented that Guy W. Ballard, Edna W. Ballard and Donald Ballard, by reason of their high spiritual attainments and righteous conduct had been selected as divine messengers through which the words of Ascended Masters, including Saint Germain, would be communicated to mankind under teachings commonly known as the "I Am" movement, and that in fact defendants knew that "none, neither nor any of the three" persons had in fact [84] achieved high spiritual attainment. It is further alleged that "none, neither nor any of the three designated persons had in fact lived a life either prior to the date set forth" in the indictment, or continuously up to or including the filing of the indictment, which said life adhered to or consisted of righteous conduct.

Said charges and allegations are matters which are not subject to proof involving spiritual and religious beliefs and confuse prejudicially the issues herein, because it will permit the jury to speculate upon the truth or falsity as to whether or not the three named persons in fact were divine messengers, or whether or not said defendants, or any of

them, adhered to righteous conduct. That said allegations will permit the jury to indulge in, conjecture or speculate concerning the standard of conduct of the defendants, as well as the said Guy W. Ballard, in their private life as to whether said conduct was or was not righteous conduct, which said matters will confuse and mislead the jury, and cannot be eliminated by an instruction of the court.

VI.

That Count One, paragraph (I), subdivision (4) of said indictment, and each and every count thereof, alleges that the defendants represented that Guy W. Ballard, Edna W. Ballard, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King and Chanera, and Donald Ballard, also known as Lafayette and Edona Eros Ballard, had by supernatural visitation been accorded supernatural state of self-immortality of body, and had been appointed messengers of divine entities and Ascended Masters, and that only through the medium of one, either or all of said designated persons that the teachings and principles of the alleged Ascended Masters and divine entities would be transmitted to mankind, whereas in truth and in fact defendants well knew that said representations pertaining to the said alleged self-immortality of Guy W. Ballard, Edna W. Ballard and Donald Ballard were false and fraudulent, and that the [85] defendants knew that said representations as to the ability of one or either of said persons to transmit the messages of divine en-

tities or Ascended Masters to mankind were false and fraudulent, and that all of said designated persons were mortal persons without any supernatural powers.

Said allegations in the indictment are not subject to proof and will permit the jury to speculate and conjecture and to compare their individual religious beliefs and organizations with which they are affiliated, or which they belong, with those of the defendants. That the allegations contained therein as to whether or not said designated persons did or did not receive messages from divine entities is not subject to proof. Said allegations serve only to confuse and mislead, in that it will permit conjecture and speculation as to whether or not in fact said messages or qualities existed, whereas the only issue that could be determined is whether or not defendants in good faith believed said conditions or qualities existed. That said allegations involve religious and spiritual beliefs of the defendants, and which said religious or spiritual beliefs are protected by the Constitution and laws of the United States.

VII.

That Count One, paragraph (i), subdivision (5) of said indictment, and each and every count thereof, charges that the defendants represented that the teachings, precepts, doctrines and principles published and promulgated by the defendants were the only channels through which the alleged spiritual teachings and words of Saint Germain, or other

Ascended Masters, would be given to the world; and that the defendants represented that said words and teachings promulgated under the movement known as the "I Am" movement were absolutely essential to the salvation of mankind; that the defendants knew that said representations were false and fraudulent, and had no foundation for representing to persons [86] intended to be defrauded that said teachings, doctrines and precepts were absolutely essential to the salvation of mankind.

That said charges involve only religious beliefs and spiritual concepts of the defendants herein, and tend only to confuse and mislead the jury, for it will permit the jury to speculate and indulge in conjecture as to whether or not in fact said teachings were given through the "I Am" movement, or were essential to mankind, whereas the issue is not whether said conditions in fact existed, but only whether or not the defendants in good faith believed them to exist, which said religious faith and belief is protected and guaranteed by the Constitution of the United States.

VIII.

That Count One, paragraph (i), subdivision (6) of said indictment, and each and every count thereof, charges that the defendants represented that Guy W. Ballard in his life time, and Edna W. Ballard and Donald Ballard had attained a supernatural state of self-immortality which enabled each of them to be entirely free from ailments common to man, and to conquer disease, death, old age, poverty and

misery, and which said power and conditions defendants represented they could and would transmit to others willing to pay therefor, or willing to part with other things of value, and which was done for the false and fraudulent purpose of securing money or other things of value from the persons intended to be defrauded, whereas in truth and in fact the defendants knew that none, neither nor all of the designated persons had any such powers or qualities, and such conditions did not exist, and that said representations were false and fraudulent.

That said allegations are redundant and tend only to mislead and confuse the issues and permit the jury to indulge in conjecture and speculation as to whether or not said qualities or conditions in fact existed, when in truth no such claim was ever made, and whereas the only issue that could be raised thereon, if [87] such claim had been made, is whether or not defendants in good faith believed said conditions or qualities to exist. That in the trial of the prior indictment the government did not produce any testimony, either directly or by inference, which showed or stated that these defendants, or any of them, represented that they had acquired or could transmit any of such qualities or conditions to others willing to pay therefor, or willing to part with other things of value, or otherwise; but to the contrary the evidence revealed that there was no charge or initiation fee or membership fee, nor any requirement to purchase any of the books or any materials as a condition either directly or in-

directly in order to become a follower of said movement, or to receive the benefits the instructions offer. That said matters in the indictment tend further to prejudice, confuse and mislead the jury, and which cannot be eliminated by instruction of the court.

IX.

That Count One, paragraph (i), subdivision (7) of said indictment, and each and every count thereof, charges that the defendants represented Guy W. Ballard, Edna W. Ballard and Donald Ballard, have by reason of supernatural attainments the power to heal persons of ailments and diseases and to make well persons afflicted with any disease, injury or ailments, and did falsely represent to persons intended to be defrauded that the said three designated persons had the ability to cure persons of those diseases normally classified as curable, and also of diseases which are ordinarily classified by the medical profession as being incurable diseases; and further represented that said three designated persons had in fact cured either by the activity of one, either or all of said persons, hundreds of persons afflicted with diseases and ailments; whereas in truth and in fact the defendants, and each of them, knew that none of the three designated persons possessed such powers, or had ever cured any persons suffering from [88] curable or incurable diseases or ailments, and that said representations were made for the purpose of acquiring influence over others intended to be defrauded.

Said allegation is confusing and misleading to the jury because, among other reasons, the proof in the previous trial clearly showed that no such representations were made, but that defendants taught such individuals to call forth their own powers in the nature of prayer or decree in order to effect a cure of any disease from which they might be suffering; and that said allegations are further misleading and confusing in that they will permit the jury to indulge in speculation, and to speculate as to whether or not in fact such persons were powerless to call forth their own powers to effect a cure of any disease from which they might be suffering, whereas the only issue involved is whether or not said defendants, in good faith, believed such powers or qualities to exist, and which said belief is not subject to legal proof, and decision thereon could only be reached by indulging *on* confusion and speculation by the jury.

X.

That Count One, paragraph (i), subdivision (8) of said indictment, and each and every count thereof, alleges that the defendants by direct representations and by innuendos worded and delivered in such a manner as to cause a belief among persons willing to accept the teachings of the "I Am" movement, that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, and each of them, had by reason of divine origin acquired a great healing power and did represent to the fol-

lowers of the movement they might also acquire such healing power and be able to achieve perfect bodies and heal themselves of all human ailments if said followers would give implicit obedience to the precepts, principles, teachings and doctrines of the "I Am" movement; whereas in truth and in fact defendants, and each of them, well knew that none, [89] neither, nor any of said designated persons had any such power to heal, and did not in fact have the power to transfer to others their alleged power to heal persons of human ailments, or to achieve perfect bodies free from disease common to mankind.

Said paragraph of the indictment is redundant and misleading in that it merely charges that defendants taught that the followers of the movement could acquire a healing power if they would obey the principles and teachings of the "I Am" movement, but that the designated persons had no power to transfer to others their ability to heal human beings, and it is not alleged in said indictment that the defendants represented that either Guy W. Ballard, Edna Ballard or Donald Ballard could transfer any such powers, but only that the defendants represented that persons following the movement could acquire such powers. Said paragraph is further confusing and misleading in that it will permit the jury to speculate as to whether or not such powers could or could not in fact be acquired, and permit the jury to apply as a standard their own individual views as to such matters, whether such views of

the jurors be that of skeptic, atheist or agnostic. That such beliefs are not the subject of proof, and are a matter of common knowledge, and many thousands of persons believe in their ability to cure ailments by reason of a mental or divine power, as is evidenced by the many adherents to Christian Science, and others.

XI.

That Count One, paragraph (i), subdivision (9) of said indictment, and each and every count thereof, charges that the defendants represented as a part of the scheme to defraud that Guy W. Ballard, Edna W. Ballard and Donald Ballard had a divine supernatural ability to bring forth from a supernatural state money, riches and other material needs necessary to mankind, which power defendants represented they could transfer to others willing to pay therefor, or willing to part with things of value therefor, whereas [90] in truth and in fact defendants knew that none, neither nor all of them had any such power or ability of precipitation, and all of said representations were false and fraudulent.

Said paragraph is ambiguous, confusing and misleading in that it alleges that the said designated persons did not have the ability to bring forth money, riches or other material needs necessary to mankind, and said allegations are uncertain and ambiguous and challenge the common beliefs of nearly all religions, and that the evidence in the previous trial did not show that any such representations were made, to-wit, said powers could be trans-

ferred to others willing to pay or part with things of value therefor; and in truth and in fact there is no initiation fee, membership fee or requirement to part with money or any other thing of value as a condition to becoming a follower or remaining a follower of the "I Am" movement, or for receiving and acquiring every good and perfect quality. Said allegation is confusing and misleading, and will permit the jury to apply their individual opinion as to whether or not said condition or conditions do or could in fact exist, whereas only the belief of said defendants in anything taught could be involved, and that all such belief or beliefs of defendants relate to religious and spiritual matters, freedom of which is protected and guaranteed by the Constitution of the United States.

XII.

That Count One, paragraph (i), subdivision (10) of said indictment, and each and every count thereof, alleges that the defendants published, sold and caused to be published and sold over approximately six years certain books wherein and whereby the defendants falsely represented said books were the works of divine visitations and dictations by Saint Germain and other supernatural entities appearing in various supernatural visitations to one, either or all of the defendants Guy W. Ballard, Edna W. Ballard and [91] *and* Donald Ballard actually encountered the experiences related in said book, whereas in truth and in fact none of said

persons encountered said experiences. Defendants further represented that Saint Germain and other Ascended Masters communicated to mankind solely through the medium of one or more of the designated defendants, Guy W. Ballard, Edna W. Ballard or Donald Ballard, and that the defendants did endeavor to and did sell copies of said books as a part of the scheme to defraud persons intended to be defrauded, and knowing that said representations with respect to the origin and divine inspiration were false and fraudulent, fully knowing said books were not divine or inspired, and whereas they were in fact the writings of one or more of said Guy W. Ballard, Edna W. Ballard or Donald Ballard, together with extracts and the substance of material and incidents from occult and metaphysical writings of others, persuading persons intended to be defrauded that in their aim and desire to acquire salvation and self-immortality they must purchase from said defendants said books.

Said paragraph is confusing and misleading in that it refers to said Guy W. Ballard as a defendant, whereas in truth and in fact said Guy W. Ballard is not named in said indictment as a defendant, and said allegations with respect to the experiences contained in said book cannot, and the government will not endeavor to, prove the same for at the last trial it did not appear that either Edna W. Ballard or Donald Ballard claimed or represented they had had the experiences therein, or that the other named

defendants had claimed to have had any such experiences as are revealed in said books, or that Saint Germain, or any other Ascended Master, communicated to mankind solely through any of the designated defendants, or any person other than said Guy W. Ballard. Said charges are not susceptible of proof, in that testimony at the last hearing did not purport to establish either by direct or inferential testimony that defendants, or any of them, stated anyone [92] must purchase said books to accomplish any purpose or be or remain a member of the "I Am" movement. Said paragraph is confusing and misleading in that it permits each individual juror to indulge in conjecture and speculation as to whether or not in fact such divine visitations could or could not exist, rather than whether or not defendants believed supernatural visitations to have occurred. Said paragraph is further confusing and misleading in that it will permit each individual juror to apply his own individual opinion, based solely upon conjecture or speculation, as to whether or not in fact divine or supernatural experiences or visitations were had, or could be had, and said allegations are not subject to proof in that they involve purely the religious or spiritual beliefs of the defendants, the freedom of which is protected and guaranteed by the Constitution of the United States. Said paragraph challenges the common religious beliefs and experiences of mankind concerning the power of a Divine Being to reveal

himself to certain chosen, or any, persons and to communicate with them.

The proof in the prior case revealed Guy W. Ballard is asserted to have had certain experiences as contained in the books mentioned in the indictment, and whether said Guy W. Ballard did or did not have such experiences, or whether or not he had divine visitations is not subject to disproof. Said portion alleging that the writings of said books were in part extracts and substance of material and incidents of occult and metaphysical writings of others does not alone, or together with the other allegations, state an offense and it was ruled in the previous trial that similarities of religious writings or "plagiarism" could not be proved under the Constitutional guarantees of the Constitution of the United States.

Further, it appeared at the trial of the previous action that the defendants made said books and publications available to the public at large, or those interested to buy or to read the [93] same without charge in the reading rooms in various cities in the United States. That there was no statement or representation that the books or writings or any extracts or material must be purchased in order to acquire salvation, self-immortality or any other benefits.

XIII.

That Count One, paragraph (i), subdivision (11) of said indictment, and each and every count

thereof, charges "that over a period of seven years last past the defendants published, circulated and sold booklets, circulars, letters, edicts, decrees and musical compositions circulating and selling the same to persons intended to be defrauded by the false representations, or compositions were divinely inspired and dictated by supernatural entities or Ascended Masters and were a part of the means by which such persons could attain divine salvation, and said defendants knew that said publications were man written and that said representations were false and fraudulent."

That said allegation is confusing and misleading, and that it will permit the jury to speculate upon the basis of their own individual opinion as to whether or not the matters contained in said booklets, circulars, letters, edicts, or decrees were or were not inspired divinely, or in any other manner, or dictated by reason of the Supernatural Beings, entities, or otherwise; and said specification is uncertain and ambiguous in that it cannot be ascertained therefrom how or in what manner it is contended that such magazines, booklets, circulars, letters, edicts, decrees or musical compositions were a part of the medium by which persons were intended to be defrauded, and that it is further not susceptible of proving the contention that said magazines, booklets, circulars, letters, edicts, decrees or musical compositions would or would not procure or tend to procure divine salvation. Said specifica-

tion challenges the common belief of mankind that they may obtain their salvation by the [94] reading of and adhering to the principles set forth in the books of their given religion, as for example the Holy Bible.

XIV.

That Count One, paragraph (i), subdivision (12) of said indictment, and each and every count thereof, charges that the defendants, and each of them, represented both orally and by writings that it was solely by reason of their teachings and the embodiment in the "I Am" movement, and because of their divine power and influence that the United States of America was saved from destruction, and that by divine inspiration there had been accorded to them the ability to maintain the sovereignty and general welfare of the United States of America. That by reason thereof they represented to persons intended to be defrauded that it was absolutely necessary that complete obedience be had to their teachings, commands, and decrees for the safety, welfare and sovereignty of the United States and for divine justice to be had in governmental activities. That said defendants knew that said representations were false and untrue and had no foundation in fact, or that the welfare or safety of the United States did not depend upon persons following the t hings or commands of their movement.

That the evidence in the prior action showed that defendants in their movement maintained, among others, as one of their principles that adherents to

this movement be loyal to their country, and to respect the flag, and the principles of government for which it stands. Further, that it is not susceptible to disproof that the teachings of the defendants herein have assisted in maintaining the sovereignty or general welfare of this country, and that said specification is ambiguous, misleading, and that it will merely permit the jurors to apply their individual opinion, but based upon skepticism, or otherwise, as to whether or not the teachings of the movement are, or are not, constructive, as related to the debts and obligations of citizens to their government. That said specification [95] further involves purely political matters and opinions concerning political matters of which everyone is entitled to his private beliefs, and is not required to be in accordance with any political party or principle thereof. It is not charged in said specification that defendants, or any of them, were engaged in any subversive or illegal activities in so far as the government is concerned, but merely states in general and ambiguous language that the defendants have asserted an influence in our government no different than the influence that may properly be asserted by any individual or legal political party now in existence.

XV.

That Count One, paragraph (i), subdivision (13) of said indictment, and each and every count thereof, alleges that "the defendants represented that reproductions of the painting of a picture rep-

resented by the defendants as being an actual picture of the Ascended Master Saint Germain was the result of a visitation by Saint Germain before one Charles Sindelar; it was represented that Saint Germain appeared before the said Charles Sindelar for said painting; and it was represented that the purchase of said picture was desirable in the aim and hope of others to achieve salvation. That in truth and in fact defendants knew that said picture was copied from an existing picture painted approximately twenty years prior by Therese de Carranza and that said reproductions were made for the purpose of sale."

That said specification is improper herein for the reason there is no material resemblance of the Sindelar picture to the Carranza picture, and further the said Charles Sindelar was a defendant in the previous trial, and all of the matters alleged in this specification were the subject of proof, and proffered proof, in said prior action, and which resulted in the acquittal of said Charles Sindelar by the jury upon all counts. Further that said specification therein is not susceptible of proof for the reason [96] that the government cannot disprove that the said Charles Sindelar had such visitation, and that said specification does not charge that any promise or reward would be obtained by the purchase of said picture, but only that said purchase was desirable.

XVI.

That Count One, paragraph (i), subdivision (14) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented that the purchase of certain charts, phonograph records and articles sold by the defendants intended to be defrauded would bestow upon said purchasers great blessings and rewards in their aim to achieve salvation, whereas in truth and in fact said representations had no foundation, and were well known to be false and fraudulent, and that said articles, charts and records were man-made and had no ability to aid in achieving salvation."

Said paragraph is uncertain and misleading in that it charges that the defendants knew that said articles, charts and records were man-made, without charging that the defendants ever made any representations that said articles, phonograph records or charts were other than man-made. That said specifications are unsusceptible of proof in that the government did not produce credible evidence that said charts, records or articles did not assist in achieving salvation, and that said specification challenges the common belief of mankind that certain articles or tokens do assist in achieving salvation, such as is generally believed by those of the Catholic faith, and that the freedom of said opinions and beliefs are guaranteed and protected by the Constitution of the United States.

XVII.

That Count One, paragraph (i), subdivision (15) of said indictment, and each and every count thereof, alleges that "the defendants, and each of them, falsely represented from time to time there would be an actual visitation in one or more designated cities [97] or places in the United States of Ascended Masters or Divine Entities, which said Divine Entities would appear in physical form before the assembly of followers, and by reason thereof defendants acquired a hypnotic control, power and domination over the persons intended to be defrauded, to-wit, the followers of the 'I Am' movement, causing said followers to reach a high state of emotionalism; that by reason thereof they were willing to travel from far distances at great expense to themselves under the hope and expectation that they would view the physical appearance of an Ascended Master or other Divine Entity, and that defendants knew that said representations were false and fraudulent and were made with the aim, purpose and desire of acquiring domination and control over the followers of said movement. That subsequent to such meetings the defendants would state that the Divine Entity had failed to appear because of a lack of harmony existing among the followers of said movement present at the time for appearance.".

Said specification is confusing and misleading in that it allows and permits each individual juror

to analyze with his individual opinion, colored by preconceived ideas and convictions, that no court instruction can change, as to whether or not a divine appearance could or could not occur: Such specification is not susceptible of proof, direct or indirect, as to whether certain Divine Entities did or did not appear, or the reasons therefor. That said specification, either of itself or in connection with all other paragraphs, simply relates to and attacks a religious belief, and is contrary to the protection afforded such freedom of belief by the Constitution of the United States.

XVIII.

That Count One, paragraph (i), subdivision (16) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented that a cataclysm or the end of the world was approaching within the life span of persons now living; [98] that there was no necessity to provide for the future or to save money or other things of value possessed by the persons intended to be defrauded, and that in lieu thereof the followers of said movement should withdraw their funds from banks, life insurance companies and other financial institutions accepted by normal persons, and turn said moneys over to the defendants, and that the defendants had no reason to believe that the end of the world or a cataclysm was about to occur, and made such representations as a part of their program to command obedience of their followers."

Said specification is based upon false premise as the record of the former trial shows, and is based on false premises as to the allegation that any defendant ever recounted to any one that he or she should convert anything into money, and particularly they should give such money or anything else to defendants, and is uncertain and misleading and merely seeks to assert that the defendants had no reason to believe that a cataclysm would occur. Said specification is ambiguous as to what it is claimed the cataclysm meant. That it is, if subject to proof at all, the opinion of many persons that the present condition of the world as it appears today may well be called cataclysmic. Said specification merely permits each individual juror to speculate as to whether or not the defendants did or did not have a reason to believe that the end of the world, or a cataclysm, would or would not occur. Such specification challenges the common belief of many men, and the belief that a cataclysm or the approaching end of the world is an accepted religious belief, the right to which, and the freedom thereof from attack, is protected and guaranteed by the Constitution of the United States.

XIX.

That Count One, paragraph (i), subdivision (17) of said indictment, and each and every count thereof, alleges that " defendants falsely represented that any person who criticized or ques- [99] tioned the teachings of the defendants would be denounced

or punished by Ascended Masters, and would create fear, confusion and obedience among the followers of said movement, whereas in truth and in fact defendants, and each of them, knew that the criticism or questioning of the teachings of said movement would not be punished by Ascended Masters, or denounced by Ascended Masters."

That said specification challenges almost universal religious belief in that each religion insists and demands that their God and His teachings shall be followed implicitly, and said principle is a common principle of religion, the freedom of which is protected and guaranteed by the Constitution of the United States.

XX.

That Count One, paragraph (i), subdivision (18) of said indictment, and each and every count thereof, alleges that "the defendants falsely represented to the followers of the movement, and the general public, that if the said persons would follow the principles, doctrines and precepts of the "I Am" movement, and the teachings of the defendants prior to death, said persons would achieve the ability to make their actual physical ascension in their physical, tangible bodies, and would in fact ascend and not die, and that during such ascension said persons would have the ability to and would associate with alleged Divine Entities and Ascended Masters and would at their pleasure be able to return from their ascended position to earth and re-

ascend if they so desired; and that defendants represented that persons who accepted the teachings and doctrines taught by the defendants had in fact so ascended in their physical, tangible and earthly bodies, whereas in truth and in fact defendants, and each of them, had no foundation for such representations, and knew that said representations were false and fraudulent."

Said specification is confusing and misleading, and would [100] merely permit the jurors to exercise their individual opinion of the ascension and confuses the true teachings with the theory of reincarnation, which theory is accepted as true by many persons, and is and has been a principle of religion since recorded history, and the freedom to believe in such principles and have such opinions are among those protected and guaranteed by the Constitution. That the government cannot, and it is not susceptible of proof to, show that followers or non-followers of the "I Am" movement have not ascended or returned to this earth, but in the trial of the previous action no proof was offered by the government either directly or indirectly that the defendants had ever represented that persons could ascend, return from their ascended position, and reascend if they so desired.

XXI.

That Count One, paragraph (i), subdivision (19) of said indictment, and each and every count thereof, is a statement of conclusions as to the effect of

prior allegations, and does not contain any statement of fact, or any representations made or done by any defendant, and does not contain any fact or representations upon which a conviction could be had, but is in effect a summary of the objects and purposes which it is claimed these defendants sought to achieve by reason of other allegations in the indictment.

XXII.

That Count One, paragraph (i), subdivision (20) of said indictment, and each and every count thereof, sets forth that "the defendants, with the intention on their part to cheat, wrong and defraud other persons did receive money, property and other things of value under the guise and pretense of the same being salaries, loans, bonuses, love gifts, donations, expensive and luxurious living accommodations and expensive traveling facilities."

That in truth and in fact the government was in possession of all the books and records of the defendants, and of the corpora- [101] tions in which the defendants were associated, or knew of, during the trial and for a considerable time prior thereto. That the government did not introduce any evidence of salaries, loans, bonuses, and only showed there had been gifts designated as love gifts in small amounts over a large period of time, but that there was no financial connection between the defendants and any of the group activities throughout the United States, but that defendant Edna W. Ballard is a class leader and messenger, but that all group

activities in the United States and other countries are conducted independently of any financial support from the messengers, by their own group leaders. That there are no financial reports of any kind, at any time, made to any of the defendants from any of the various groups or student meetings throughout the United States, or elsewhere, nor is there any initiation fee or charter fee or membership fee, or any other charge of any nature whatsoever, as a condition to the commencement or continuation of a class or group activity or of becoming associated with or of continuing to follow such movement.

XXIII.

That each and every specification or allegation of said indictment, either singly or collectively, states no offense, but to the contrary it appears therefrom that the indictment endeavors to present an attack on a complete and entire theory or religious system, and merely asserts that concepts which are commonly and universally accepted among religious people are not believed by these defendants. Said indictment does not present any facts or any situation in which a separate or commonly accepted crime is endeavored to be justified by using religion as a cloak, but to the contrary the indictment merely asserts that the defendants do not believe commonly and universally accepted religious principles, which said principles and opinions and the right to believe therein is protected and guaranteed from attack by the Constitution of the [102] United States.

XXIV.

Said defendants further move to quash said indictment because said indictment and the allegations it contains, viewed under the true facts and circumstances existing and developed at the trial do not constitute a violation of any law of the United States. Because said indictment improperly, unfairly, scandalously and unjustly attempts to charge a violation of the United States statutes prohibiting the use of the United States mails for fraudulent purposes, under the rule announced by the Circuit Court of Appeals of the Ninth Circuit in New v. United States, 245 Fed. 710, when in truth and in fact there is no element of mail fraud contained in the facts adduced at the trial of and existing in this matter, and not the slightest similarity of facts herein to those of the New case. Because said indictment attempts, but wholly fails under the facts, to come within the discussion of the Judge who wrote the opinion in the case of New v. United States, supra, wherein the Court laid down the rule that a religious or spiritual activity could not be used as a cloak to justify the use of the mails to defraud others. The rule in that case is not disputed by these defendants and is supported and upheld by the good people of the country as a correct interpretation of the law under proper supporting facts. There is not an element in the present case that comes within the rule of the New case. In the former case there is probably not an intelligent layman in the country but who would agree to the

principle stated under the facts of deceit, fraud, immorality and misdoings, proved before the Court. In the case at bar there is no fraud, no deceit, no debauchery, not even requests or urge for money, and only the highest concept of Purity, the Christ, God and the Christian Ideals are taught; whereas, the New case as established and sustained by proof of acts and practices that no upright follower of the Master Jesus would approve. In the [103] case at bar, the defendants were proved to be people of the highest type of culture and refinement, and not a witness testified to the contrary, engaged in offering to the world the most advanced concept of purity and a better life, the Christ and God than has ever before been offered to the people of earth. Their sincerity and upright purpose is above criticism or reproach. The facts clearly establish that they never solicit money or permit others to do so. All support for this activity comes as a free love gift, whereas in the New case, and all others wherein convictions have been sustained, there was a purpose apparent and clearly established to gain individual profit, under the false cloak of religion. In the present case these defendants have sought nothing for themselves, but have expended all free will offerings, there being no other kind of support from the public, in an effort to enlighten the people so that they may intelligently accept or reject the instructions in the exercise of individual free will.

XXV.

That said panel of grand jurors summoned for said term of court is composed exclusively of persons of the male sex, while all persons of the female sex, although consisting and constituting at least one-half of the population and of the registered voters in said Division and District, and possessing the qualifications of jurors prescribed by law, were excluded therefrom on the ground of their sex, and have been so excluded from serving on said grand jury in said District for a great many years, which is a discrimination against these defendants, and particularly of the defendants Edna W. Ballard, Betty Mundy and Louise Mejerus, since they are persons of the female sex; and that such discrimination is a denial to them of the equal protection of the laws and due process of law as guaranteed by the Constitution and laws of the United States, and particularly Article 5 of the Amendments to the Constitution of the United States. [104]

Wherefore, defendants pray that this indictment be quashed and that they not be called upon to plead further.

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT, JR.
By W. I. GILBERT, JR.
Attorneys for Defendants

[Endorsed]: Filed Sep. 3, 1941. [105]

[Title of District Court and Cause.]

AMENDED MOTION TO STRIKE

Come now the defendants, Enda W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere, and each of them, separately, individually, and for themselves alone, and move the court to strike from said indictment, as follows:

I.

Each and every count of said indictment, and each and every portion thereof, on the ground that said indictment endeavors and purports to attack the entire religious philosophy of said defendants, and does not endeavor or purport to state any particular violation of law which the defendants seek to sustain upon the grounds of religious belief, but to the contrary merely set forth matters of opinion or religious belief which are not subject to disproof under the Constitution of the United States, or the law of the land.

II.

Move to strike from Count One, subparagraph (1), paragraph (i) of said indictment the word "defendant" preceding the words "Guy W. Ballard", for the reason that the said Guy W. Ballard is not now, nor has been, a defendant named in said indictment. For convenience and ready reference said paragraph is quoted in part as follows:

"* * * That the defendant Guy W. Ballard had attained a supernatural state of self-immortality, which condition enabled him to conquer disease, death, old age, poverty, and misery; * * *"

(The word sought to be stricken is underlined in said quotation.)

This should be stricken for the reason that said reference to Guy W. Ballard as being a defendant in the indictment is prejudicial and misleading, and permits the jury to impute the transactions or activities of the said Guy W. Ballard to the remaining defendants, upon the theory that the said Guy W. Ballard is named as a defendant in the indictment, when in fact he is not.

III.

Move to strike from Count One, subparagraph 10, paragraph (i) of said indictment the words "Guy W. Ballard" following the word "defendants", for the reason that the said Guy W. Ballard is not now, nor has been, a defendant named in said indictment. For convenience and ready reference said paragraph is quoted in part as follows:

"* * * and other alleged supernatural entities appearing in various supernatural visitations to one, either, or all of the defendants Guy W. Ballard, Edna W. Ballard, and Donald Ballard; * * *"

(The name sought to be stricken is underlined in said quotation.)

That said motion is made for the same reasons as in the last paragraph set forth.

IV.

Move to strike from Count One, subparagraph 13 of paragraph (i) of said indictment in its entirety, for the reason that said paragraph endeavors to charge as a fraud the painting of Ascended Master Saint Germain by Charles Sindelar, and to impute the conduct of the said Charles Sindelar to these defendants as members of the conspiracy, when in truth and in fact the said Charles Sindelar was acquitted of said charge in the previous trial.

JAS. R. ARMSTRONG
AMES PETERSON
W. I. GILBERT, JR.
By W. I. GILBERT, JR.
Attorneys for Defendants

[Endorsed]: Filed Sep. 3, 1941. [107]

United States District Court, Southern District of California, Central Division

No. 14858

UNITED STATES OF AMERICA,

Plaintiff,

vs.

EDNA W. BALLARD, DONALD BALLARD, BETTY O. MUNDY, PAUL STICKELL, LOUISE MAJERUS, and WILLIAM J. CASSIERE,

Defendants.

DECISION OF JUDGE J. F. T. O'CONNOR

An indictment was returned against the above named defendants by the grand jury. The defendants moved to quash the indictment and also moved to strike certain parts of the indictment on the grounds alleged in the written motion.

The Court having fully considered the matter and having carefully considered both the written and oral arguments on the part of the United States of America and on the part of the defendants above named.

It is hereby ordered:

That the motion to quash and the amended motion to quash are denied and the motion to strike and the amended motion to strike are denied.

The defendants will enter their plea before this court in Courtroom No. 7 at 11:00 o'clock A. M. on Monday, October 13, 1941.

Dated this 9th day of October, 1941.

J. F. T. O'CONNOR

United States District Judge

[Endorsed]: Filed Oct. 9, 1941. [108]

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Monday the 13th day of October in the year of our Lord one thousand nine hundred and forty-one.

Present:

The Honorable: J. F. T. O'Connor, District Judge.

[Title of Cause.]

This cause coming on for arraignment and plea of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; Ralph E. Lazarus and Norman W. Neukom, Assistant U. S. Attorneys, appearing as counsel for the Government; Ames Peterson, David H. Cannon, and James R. Armstrong, Esqs., appearing as counsel for the defendants, all of whom are present except Louise Majerus; and A. Wahlberg, Court Reporter, being present and reporting the testimony and the proceedings:

Each of the said defendants, except defendant Louise Majerus, who is absent, states his (or her) true name is as set forth in the indictment, Attorney Cannon waives reading thereof, and each of the said defendants pleads not guilty to the twelve counts. Attorney Peterson makes a statement.

Attorney Lazarus makes a statement resetting the case for trial. Attorney Armstrong makes a statement and requests that trial be set in the new year. Attorney Cannon requests a continuance beyond the first of the year for commencement of trial. Attorney Neukom says that it will take close to six weeks to try this cause and wants an early trial without unnecessary delay.

The Court makes a statement relative to setting this case for trial.

It is ordered that the cause be, and it hereby is, set for trial for 10 A. M., December 2, 1941. Arr. and plea of Louise Majerus set for 12/1/41. [109]

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Tuesday the 2nd day of December in the year of our Lord one thousand nine hundred and forty-one.

Present:

The Honorable: J. F. T. O'Connor, District Judge.

[Title of Cause.]

This cause coming on for trial before a jury of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; Ralph E. Lazarus and Norman W. Neukom, Assistant U. S. Attorneys, appearing as counsel for the Government; David H. Cannon, Ames Peterson, W. I. Gilbert, Jr., James R. Armstrong, Esqs., appearing as counsel for the said defendants, who are present; and A. Wahlberg, Court Reporter, being present and reporting the testimony and the proceedings:

Attorney Cannon challenges the entire panel of petit jurors on the ground that there has been discrimination in the selection of the petit jury panel, particularly as no women have been called into the panel, upon the same grounds set out in the challenge of the entire panel of Grand Jurors; objection is overruled and exception allowed to each defendant; and by consent of the Government, petit juror Ed. J. Goodier is excused for today.

On motion of Attorney Cannon, Horace J. Donnelly, Jr., Esq., from Washington, D. C., is associated as counsel for the defendants in this case only.

It appearing to the Court that it is satisfactory to counsel for both sides to proceed at this time

with the impanelment of the petit jury to try this cause from the panel of Judge Jenney's petit jurors and from the panel of Judge O'Connor's petit jurors, (these two panels now being in the court room); and, in the event these two [110] jury panels should become exhausted without a jury having been selected, that the panel of Judge Yankwich's petit jurors may then be drawn upon, from which the remaining petit jurors to try this cause may be selected, it is by the Court ordered that counsel commence with the impanelment of the petit jury to try this cause at this time.

At 11:05 A. M. it is ordered that a jury be drawn and the clerk draws the names of the following twelve jurors: Neil C. Needham, Paul Pauly, Walter G. Potter, W. K. Batchelor, T. O. Boyd, Jr., Jesse H. Faler, Donald K. Carter, Dean Hoover, Thomas O. Boyle, Joseph Ross, Fred B. King, and Samuel C. Harvey.

At 11:12 A. M. the jurors in the box are examined for cause by the Court.

The Court admonishes the prospective jurors that during the progress of this trial and the recesses therein they are not to speak to anyone or permit anyone to speak to them about this cause, or any matter or thing therewith connected; that until said cause is finally submitted to them for their deliberation under the instructions of the Court, they are not to speak to each other about this cause or any matter or thing therewith connected, or form or express any opinion concerning the merits of

the trial until it is finally submitted to them, and at 12:10 P. M. declares a recess to 2 P. M. today.

At 2 P. M. court reconvenes and all being present as before, including all the defendants and all counsel on both sides, and counsel so stipulating, and all the jurors being present in the box as at the morning session of court, the Court examines the prospective petit jurors for cause. At 2:37 P. M. the jurors are examined for cause by Attorney Neukom, and at 2:47 P. M. they are examined for cause by Attorney Cannon.

Dean Hoover is excused by defendants for cause and it is ordered that another name be drawn; whereupon, the clerk draws the name of A. B. Dickstein, who is examined for cause by the Court, and is excused for cause by the Court, both sides consenting. It is ordered that another name be drawn, whereupon, the clerk draws the name of Horace Ramsden, who is examined for cause by the Court and by Attorney [111] Cannon.

Jesse H. Faler is excused for cause by the Court by consent of both sides and it is ordered that another name be drawn, whereupon, the clerk draws the name of Earle V. Grover, who is examined for cause by the Court, and by Attorneys Lazarus and Cannon, respectively.

Samuel C. Harvey is excused on plaintiff's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Earl Kingsbury, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

Joseph Ross is excused on defendant's peremptory challenge, and it is ordered that another name be drawn, whereupon, the clerk draws the name of Ellis H. Wilson, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

At 3:37 P. M. the Court reminds the jury of the admonition heretofore given and declares a recess for 15 minutes. At 3:55 P. M. court reconvenes and all being present as before, including the prospective jurors, the Court orders that the trial proceed.

Fred B. King is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Robert J. Riley, who is examined for cause by the Court and by Attorneys Neukom and Peterson, respectively.

Walter G. Potter is excused on plaintiff's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of C. P. Ritchie, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

C. P. Ritchie is excused for cause by the Court and it is ordered that another name be drawn, whereupon, the clerk draws the name of Rev. Bernard C. Voll, who is examined for cause by the Court, and is excused for cause by the Court.

It is ordered that another name be drawn, whereupon, the clerk draws the name of James J. Doherty, who is examined for cause by the Court, and by Attorneys Neukom and Cannon, respectively.

James J. Doherty is excused on defendant's peremptory challenge, and it is ordered that another name be drawn, whereupon, the clerk draws the name of E. H. Porter, who is examined for cause by the Court. [112]

At 4:30 P. M. the jurors in the box for the trial of this cause being as follows, viz:

The Jury

1. Neil C. Needham
2. Paul Pauly
3. E. H. Porter
4. W. K. Batchelor
5. T. O. Boyd, Jr.
6. Earle V. Grover
7. Donald K. Carter
8. Horace Ramsden
9. Thomas O. Boyle
10. Ellis H. Wilson
11. Robert J. Riley
12. Earl Kingsbury

The Court reminds the jurors of the admonition heretofore given and declares a recess in the trial of this cause until 10. A. M., December 3, 1941.

[113]

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Wednesday the 3rd day of December in the year of our Lord one thousand nine hundred and forty-one.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause coming before the Court at 10:05 A. M., for further trial, before a jury to be impaneled, of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; Ralph E. Lazarus and Norman W. Neukom, Assistant U. S. Attorneys, appearing as counsel for the Government; the said defendants being present in court with their attorneys David H. Cannon, Esq., Ames Peterson, Esq., W. I. Gilbert, Jr., Esq., James R. Armstrong, Esq., and Horace J. Donnelly, Jr., Esq., and A. Wahlberg being present in court as stenographic reporter of the testimony and the proceedings; and the names of the prospective jurors now in the jury box being as follows, to wit: Neil C. Needham, Paul Pauly, E. H. Porter, W. K. Batchelor, T. O. Boyd, Jr., Earle V. Grover, Donald K. Carter, Horace Ramsden, Thomas O. Boyle, Ellis H. Wilson, Robert J. Riley, Earl Kingsbury.

E. H. Porter, prospective juror, in the box, is examined for cause by Attorneys Lazarus and Gilbert, respectively.

Donald K. Carter is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of George E. Montgomery, who is examined for cause by the Court, and is excused for cause by the Court by consent of both sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of James A. Apffel, who is examined for cause by the Court, and excused for cause by the Court by consent of both [114] sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of Joe David, Jr., who is examined for cause by the Court and by Attorneys Neukom and Cannon, respectively.

Horace Ramsden is excused on plaintiff's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Robert W. Cross, who is examined for cause by the Court, and excused for cause by the Court by consent of both sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of Wm. A. Lavender, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

Wm A. Lavender is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Otis Healy, who is examined for cause by

the Court and by Attorney Neukom, and excused for cause by the Court by consent of both sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of Albert A. Nerney, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

Robert J. Riley is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Edward G. Garrity, who is examined for cause by the Court, and excused for cause by the Court by consent of both sides.

By 10:58 A. M. the Court admonishes the jury that during the progress of this trial and the recesses therein they are not to speak to anyone or permit anyone to speak to them about this cause, or any matter or thing therewith connected; that until said cause is finally submitted to them for their deliberation under the instructions of the Court, they are not to speak to each other about this cause or any matter or thing therewith connected, or form or express any opinion concerning the merits of the trial until it is finally submitted to them, and declares a recess for 15 minutes.

At 11:17 A. M. court reconvenes and it is ordered that the trial proceed.

Edward G. Garrity is excused for cause by the Court by consent of both sides and it is ordered that another name be drawn, whereupon, [115] the clerk draws the name of Samuel D. Alrich, who is ex-

amined for cause by the Court and by Attorneys Neukom and Cannon, respectively.

Earle V. Grover is excused on plaintiff's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Oscar A. Rinnan, who is examined for cause by the Court and by Attorneys Lazarus and Peterson, respectively.

Joe David, Jr., is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Donald F. Williams, who is examined for cause by the Court, and excused for cause by the Court by consent of both sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of Wm N. Hamaker, who is examined for cause by the Court and by Attorney Lazarus, and excused for cause by the Court by consent of both sides. It is ordered that another name be drawn, whereupon, the clerk draws the name of Carl Edward Ringquest, who is examined for cause by the Court and by Attorneys Lazarus and Gilbert, respectively.

Oscar A. Rinnan is excused on plaintiff's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Nathan Gazin, who is examined for cause by the Court and by Attorneys Lazarus and Peterson, respectively.

Nathan Gazin is excused on defendant's peremptory challenge and it is ordered that another

name be drawn, whereupon, the clerk draws the name of George Darsie, who is examined for cause by the Court and by Attorneys Neukom and Peterson, respectively. And both sides being satisfied.

The jurors now in the box are accepted and sworn as the jury for the trial of this cause, viz.:

The Jury

1. Neil C. Needham
2. Paul Pauly
3. E. H. Porter
4. W. K. Batchelor
5. T. O. Boyd, Jr.
6. George Darsie
7. Carl Edward Ringquest
8. Albert A. Nerney
9. Thomas O. Boyle
10. Ellis H. Wilson
11. Samuel D. Alrich
12. Earl Kingsbury [116]

It being the opinion of the Court that this trial is likely to be a protracted one, the Court orders a minute order to be entered instructing the clerk to call two additional jurors to be known as alternate jurors.

The Court admonishes the jurors that during the progress of this trial and the recesses therein they are not to speak to anyone or permit anyone to speak to them about this cause, or any matter or thing therewith connected; that until said cause is finally submitted to them for their deliberation they

are not to speak to each other about this cause or any matter or thing therewith connected, or form or express any opinion concerning the merits of the trial until it is finally submitted to them, and at 12:05 P. M. declares a recess to 2 P. M. today.

At 2:05 P. M. court reconvenes and all being present as before, including the defendants stipulated herein, and the twelve jurors in the box, Attorney Cannon says that parties stipulate that alternate jurors may be selected from the names now in the box until those names are exhausted, before the names of jurors on Judge Yankwich's panel are placed in the box, and Attorney Neukom so stipulating, it is by the Court ordered that two alternate jurors be drawn, and thereupon the following two names are drawn, viz.: Dan Campbell, Jr., and Morris Golden, who take their places in the jury box and are examined for cause by the Court and by Attorneys Neukom and Cannon, respectively, and Morris Golden is examined by Attorney Gilbert.

Morris Golden is excused on defendant's peremptory challenge and it is ordered that another name be drawn, whereupon, the clerk draws the name of Thomas Godbold, who is examined for cause, and excused for cause by the Court on stipulation of counsel. It is ordered that another name be drawn, whereupon, the clerk draws the name of Loren C. Barton, who is examined for cause by the Court and by Attorneys Lazarus and Cannon, respectively.

Dan Campbell, Jr., is excused on plaintiff's peremptory challenge, and it is ordered that another name be drawn, whereupon, the clerk draws the name of Angus W. Potter, who is examined for cause by the Court, and is excused for cause by the Court on stipulation of [117] counsel. It is ordered that another name be drawn, whereupon, the clerk draws the name of John C. Niven, who is examined for cause by the Court and excused for cause by the Court on stipulation of counsel. It is ordered that another name be drawn, whereupon, the clerk draws the name of H. W. Everts, who is examined for cause by the Court and by Attorneys Neukom and Cannon, respectively.

At 2:40 P. M. Judge Yankwich jury is excused to December 9, 1941, at 10 A. M., Judge Jenney's jury is excused to December 30, 1941, at 10 A. M., and Judge O'Connor's jury is excused until notified.

Loren C. Barton and H. W. Everts are sworn as alternate petit jurors at 2:38 P. M. to try this cause with the petit jurors already impaneled, and the said fourteen jurors now being in the box, the Court admonishes them that during the progress of this trial and the recesses therein they are not to speak to anyone or permit anyone to speak to them about this cause or any matter or thing therewith connected; that until said cause is finally submitted to them for their deliberation under the instructions of the Court, they are not to speak to each other about this cause or any matter or thing therewith

connected, or form or express any opinion concerning the merits of the trial until it is finally submitted to them, * * * [118]

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Thursday the 8th day of January in the year of our Lord one thousand nine hundred and forty-two.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause coming on for further jury trial of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; N. W. Neukom and R. E. Lazarus, Assistant U. S. Attorneys, appearing as counsel for the Government; David H. Cannon, Ames Peterson, W. I. Gilbert, Jr., James R. Armstrong, and Horace J. Donnelly, Jr., Esqs., appearing as counsel for the defendants, who are present; and W. A. Weigel and H. E. Snyders, Court Reporters, being present and alternately reporting the testimony and the proceedings; and counsel stipulating that the defendants are present; * * *

At 3:08 P. M. court reconvenes and all being present as before, including the defendants and the jury, and counsel stipulating that the defendants and the jury are present,

At 3:10 P. M. the Government rests. The Court makes a statement.

It is ordered that Count one of the Indictment be, and it hereby is, dismissed. [119]

* * * * * * *

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Friday the 9th day of January in the year of our Lord one thousand nine hundred and forty-two.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause coming on for further jury trial of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; N. W. Neukom and R. E. Lazarus, Assistant U. S. Attorneys, appearing as counsel for the Government; Ames Peterson and Horace J. Donnelly, Jr., Esqs., appearing as counsel for the said defendants, who are present; the jury being absent; at 9:40 A. M., W. I. Gilbert, Jr. and David

H. Cannon, Esqs., come into court; Jas. R. Armstrong, Esq., comes into court later in the morning:

* * * * * * * *

Certain motions to strike are granted and are denied, as reflected by reporter's record, and exception is noted for defendants.

* * * * * * *

At 3:33 P. M. court reconvenes and all being present as before, and counsel stipulating that the defendants are present, and the jury being absent:

Attorney Donnelly renews motion to dismiss made at the outset of the case and moves for a directed verdict of not guilty in behalf of each defendant and argues in support thereof. At 4:17 P. M. Attorney Neukom argues in opposition thereto; at 4:40 P. M. Attorney Cannon argues in support of motion for a directed verdict; and at 4:50 P. M. the Court makes a statement and motions of the defendants for directed verdict are denied and exceptions noted. [120]

* * * * * * *

At a stated term, to wit: The September Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Friday the 23rd day of January in the year

of our Lord one thousand nine hundred and forty-two.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause coming on for further jury trial of defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere; N. W. Neukom and R. E. Lazarus, Assistant U. S. Attorneys, appearing as counsel for the Government; David H. Cannon, Ames Peterson, W. I. Gilbert, Jr., Jas. R. Armstrong, and Horace J. Donnelly, Jr., Esqs., appearing as counsel for the said defendants, who are present; and W. A. Weigel and H. E. Snyders, Court Reporters, being present and alternately reporting the testimony and the proceedings; and the jury being present, and counsel stipulating that the defendants and the jury are present, the Court orders that the trial proceed;

* * * * * * *

The Government rests in rebuttal at 11:15 A. M. The defendants rest in sur-rebuttal at 11:15 A. M.

At 11:15 A. M. the Court reminds the jury of the admonition heretofore given and excuses the jury until Tuesday, January 27, 1942, at 10 A. M. In the absence of the jury Attorney Gilbert makes a statement re motion to strike testimony of last witness, Mrs. Ethel S. Adams, and the said motion is denied and exception noted.

Attorney Donnelly renews motion to dismiss made at the outset of the case, and by way of demurrer to the indictment, and motion for directed verdict of acquittal at the conclusion of this case for the reasons heretofore assigned on behalf of each and every one of the defendants, motions are denied and exception allowed to each defendant. [121]

At a stated term, to wit: The September Term, A. D. 1942 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Saturday the 31st day of January in the year of our Lord one thousand nine hundred and forty-two.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause being under submission before the jury, and the jury having returned from their night's lodging at the Hotel Hayward in charge of Bailiffs George Boshae and Edward Drew at 8:45 A. M. and having resumed their deliberations in the jury room,

At 12:12 P. M. it is ordered that the jurors and the two bailiffs go to luneh at the expense of the Government and said jurors return at 1:55 P. M. and deliberate further.

At 4:25 P. M. court reconvenes, Attorneys Neukom and Lazarus being present as counsel for the Government; defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus, and William J. Cassiere being present in court with their counsel Ames Peterson, W. I. Gilbert, Jr., and James R. Armstrong, Esqs., and A. Wahlberg being present as stenographic reporter and reporting the proceedings, roll of the jury is called and all the jurors being present and counsel stipulating that the defendants and the jury are present, in response to the Court's inquiry the Foreman of the jury presents verdicts, which are read and ordered filed and entered herein, to wit:

In the District Court of the United States
in and for the Southern District of California
Central Division

No. 14,858-O'C Crim.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

EDNA W. BALLARD,

Defendant.

[122]

[Title of District Court and Cause.]

VERDICT OF THE JURY AS TO EDNA W. BALLARD:

We, the jury in the above-entitled case, find the defendant, Edna W. Ballard,

guilty as charged in the second count of the Indictment;
guilty as charged in the third count of the Indictment;
not guilty as charged in the fourth count of the Indictment;
guilty as charged in the fifth count of the Indictment;
not guilty as charged in the sixth count of the Indictment;
guilty as charged in the seventh count of the Indictment;
guilty as charged in the eighth count of the Indictment;
not guilty as charged in the ninth count of the Indictment;
not guilty as charged in the tenth count of the Indictment;
guilty as charged in the eleventh count of the Indictment;
and
guilty as charged in the twelfth count of the Indictment.

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

[Endorsed]: Filed, Jan. 31, 1942, R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk.

In the District Court of the United States
in and for the Southern District of California
Central Division

UNITED STATES OF AMERICA,
Plaintiff,

vs.

DONALD BALLARD,
Defendant.

No. 14,858-O.C. Crim.

VERDICT OF THE JURY AS TO DONALD BALLARD:

We, the jury in the above-entitled case, find the defendant, Donald Ballard,

Not guilty as charged in the second count of the Indictment;
Not guilty as charged in the third count of the Indictment;
Not guilty as charged in the fourth count of the Indictment;
Not guilty as charged in the fifth count of the Indictment;
Not guilty as charged in the sixth count of the Indictment;
Not guilty as charged in the seventh count of the Indictment;
guilty as charged in the eighth count of the Indictment;
Not guilty as charged in the ninth count of the Indictment;
Not guilty as charged in the tenth count of the Indictment;
guilty as charged in the eleventh count of the Indictment;
and
guilty as charged in the twelfth count of the Indictment;

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

In view of the circumstances *surround* the above defendant, we beg to suggest that court be lenient.

[Endorsed]: Filed, Jan. 31, 1942, R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk.

In the District Court of the United States in and for the Southern District of California Central Division

No. 14,858-O'C Crim.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

BETTY O. MUNDY,

Defendant.

VERDICT OF THE JURY AS TO BETTY O. MUNDY: [123]

We, the jury in the above-entitled case, find the defendant, Betty O. Mundy,

not guilty as charged in the second count of the Indictment;
not guilty as charged in the third count of the Indictment;
not guilty as charged in the fourth count of the Indictment;
not guilty as charged in the fifth count of the Indictment;
not guilty as charged in the sixth count of the Indictment;
not guilty as charged in the seventh count of the Indictment;
not guilty as charged in the eighth count of the Indictment;
not guilty as charged in the ninth count of the Indictment;

not guilty as charged in the tenth count of the Indictment;
not guilty as charged in the eleventh count of the Indictment;
and
not guilty as charged in the twelfth count of the Indictment;

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

[Endorsed]: Filed. Jan. 31, 1942, R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk.

In the District Court of the United States
in and for the Southern District of California
Central Division

No. 14,858-O'C Crim.

UNITED STATES OF AMERICA,
Plaintiff,

vs.

PAUL STICKELL,
Defendant.

VERDICT OF THE JURY AS TO PAUL STICKELL:

We, the jury in the above-entitled case, find the defendant Paul Stickell:

Not guilty as charged in the second count of the Indictment;
Not guilty as charged in the third count of the Indictment;
Not guilty as charged in the fourth count of the Indictment;
Not guilty as charged in the fifth count of the Indictment;
Not guilty as charged in the sixth count of the Indictment;

Not guilty as charged in the seventh count of the Indictment;
Not guilty as charged in the eighth count of the Indictment;
Not guilty as charged in the ninth count of the Indictment;
Not guilty as charged in the tenth count of the Indictment;
Not guilty as charged in the eleventh count of the Indictment;
and
Not guilty as charged in the twelfth count of the Indictment;

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

[Endorsed]: Filed, Jan. 31, 1942, R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk.

In the District Court of the United States in and for the Southern District of California Central Division

No. 14,858-O'C Crim.

UNITED STATES OF AMERICA,
Plaintiff.

vs.

LOUISE MAJERUS,
Defendant.

VERDICT OF THE JURY AS TO LOUISE MAJERUS:

We, the jury in the above-entitled case, find the defendant, Louise Majerus:

not guilty as charged in the second count of the Indictment;
not guilty as charged in the third count of the Indictment;
not guilty as charged in the fourth count of the Indictment;
not guilty as charged in the fifth count of the Indictment;

[124]

not guilty as charged in the sixth count of the Indictment;
not guilty as charged in the seventh count of the Indictment;
not guilty as charged in the eighth count of the Indictment;
not guilty as charged in the ninth count of the Indictment;
not guilty as charged in the tenth count of the Indictment;
not guilty as charged in the eleventh count of the Indictment;
and
not guilty as charged in the twelfth count of the Indictment;

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

[Endorsed]: Filed, Jan. 31, 1942. R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk.

In the District Court of the United States in and for the Southern District of California Central Division

No. 14,858-O'C Crim.

UNITED STATES OF AMERICA,
Plaintiff,

vs.

WILLIAM J. CASSIERE,
Defendant.

VERDICT OF THE JURY AS TO WILLIAM J. CASSIERE:

We, the jury in the above-entitled case, find the defendant William J. Cassiere:

Not guilty as charged in the second count of the Indictment;
Not guilty as charged in the third count of the Indictment;
Not guilty as charged in the fourth count of the Indictment;
Not guilty as charged in the fifth count of the Indictment;
Not guilty as charged in the sixth count of the Indictment;
Not guilty as charged in the seventh count of the Indictment;
Not guilty as charged in the eighth count of the Indictment;
Not guilty as charged in the ninth count of the Indictment;
Not guilty as charged in the tenth count of the Indictment;
Not guilty as charged in the eleventh count of the Indictment; and
Not guilty as charged in the twelfth count of the Indictment;

NEIL C. NEEDHAM,
Foreman of the Jury.

Dated: Los Angeles, Calif., Jan. 31st, 1942.

[Endorsed]: Filed, Jan. 31, 1942, R. S. Zimmerman, Clerk, By Francis E. Cross, Deputy Clerk. [125]

* * * * * * *

At a stated term, to wit: The Septmeber Term, A. D. 1941 of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Tuesday the 17th day of February in the year of our Lord one thousand nine hundred and forty-two.

Present: The Honorable J. F. T. O'Connor,
District Judge.

[Title of Cause.]

This cause coming on for: (1) Further proceedings on motion of defendants Edna W. Ballard and Donald Ballard for a new trial, filed February 3, 1942; (2) Further proceedings on motion of defendants Edna W. Ballard and Donald Ballard for arrest of judgment, filed February 3, 1942; (3) Sentence of defendant Edna W. Ballard on each of counts 2, 3, 5, 7, 8, 11 and 12; and (4) Sentence of defendant Donald Ballard on each of counts 8, 11 and 12; Norman W. Neukom and Ralph E. Lazarus, Assistant U. S. Attorneys, appearing as counsel for the Government; David H. Cannon, Ames Peterson, W. I. Gilbert, Jr., and Roland Rich Woolley, Esqs., appearing for the defendants; and Horace E. Snyders, Court Reporter, being present and reporting the proceedings:

The case is called at 9:34 A. M., the court makes a statement relative to the consideration given by the court to the motions of Edna W. Ballard and

Donald Ballard for new trial and arrest of judgment, and orders that (1) motion of defendants Edna W. Ballard and Donald Ballard for a new trial, etc., and (2) motion of defendants Edna W. Ballard and Donald Ballard for arrest of judgment, etc., be, and they hereby are, denied, and exceptions noted to each defendant.

* * * * * * *

At 9:41 o'clock A. M. the court having reconvened, and all being present as before, including both defendants, Edna W. Ballard and Donald Ballard, and counsel for both sides; and counsel for the respective parties having stipulated that the said two defendants [126] and their counsel are present, the court makes a statement and each defendant is asked if she and he have anything to say why judgment should not be pronounced upon them, and David H. Cannon, Esq. having informed the court that he has no legal cause to show why judgment should not be pronounced at this time, and Edna W. Ballard and Donald Ballard having been given permission by the court to make statements in their own behalf, Edna Ballard states that she never was, is not now and never will be guilty and neither is her son; and Donald Ballard having stated that he stands one hundred percent behind the statement just made by his mother and that he will maintain that position for all time to come, and that he believes, in good faith, everything that she and the Ascended Masters have done and that he will not change that position for any human cause, come

what may, etc., the court now pronounces sentence upon each of said defendants, as is reflected by the judgments signed by the court, which are as follows, to-wit: [127]

District Court of the United States
Southern District of California
Central Division

No. 14,858-O'C Criminal Indictment
in 12 counts for violation of U. S. C.,
Title 18, Secs. 338; Title 18, Sec. 88

UNITED STATES

vs.

EDNA W. BALLARD

JUDGMENT ON COUNTS 2, 3, 5, 7, 8, 11 AND 12

On this 17th day of February, 1942, came the United States Attorney, and the defendant Edna W. Ballard, appearing in proper person, and with her attorneys, David H. Cannon, et al. and

The defendant having been convicted on verdict of the jury of the offense charged in the indictment in the above-entitled cause, to wit knowingly and wilfully devising and intending to devise a scheme to defraud, etc., committed on or about February 21st, 1939 at Los Angeles, Calif., and the defendant having been now asked whether she has anything to say why judgment should not be pronounced against her, and no sufficient cause to the contrary being

shown or appearing to the Court, It Is by the Court Ordered and Adjudged that the defendant, having been found guilty of said offenses, is hereby committed to the custody of the Attorney General for imprisonment in an institution of the county jail, type to be designated by the Attorney General or his authorized representative for the period of one year on each of counts 2, 3, 5, 7, 8, 11 and 12; sentences to run concurrently and not consecutively; that execution of said one-year senetnce be suspended and defendant be placed on probation for one year, and it is further ordered by the Court that said defendant pay unto the United States of America a fine in the sum of one thousand dollars on each of counts 2, 3, 5, 7, 8, and 11, and a fine of two thousand dollars on count 12, making a total fine of eight thousand ($8000.00) dollars.

(Signed) J. F. T. O'CONNOR,
United States District Judge.

(By) FRANCIS E. CROSS,
Deputy Clerk.

[Endorsed]: Filed this 17th day of February, 1942. R. S. Zimmerman, Clerk. [128]

District Court of the United States
Southern District of Calif. Central Division

No. 14,858 Criminal Indictment in 12 counts for violation of U. S. C., Title 18, Secs. 338; title 19, Sec. 88

UNITED STATES

vs.

DONALD BALLARD

JUDGMENT ON COUNTS 8, 11 AND 12

On this 17th day of February, 1942, came the United States Attorney, and the defendant Donald Ballard appearing in proper person, and with his attorneys, David H. Cannon, et al. and,

The defendant having been convicted on verdict of the jury of the offense charged in the indictment in the above-entitled cause, to wit: knowingly and wilfully devising and intending to devise a scheme to defraud, etc., committed on or about February 21st, 1939 at Los Angeles, Calif. and the defendant having been now asked whether he has anything to say why judgment should not be pronounced against him, and no sufficient cause to the contrary being shown or appearing to the Court, it is by the Court

Ordered and adjudged that the defendant, having been found guilty of said offenses, is hereby committed to the custody of the Attorney General for imprisonment in an institution of the county jail type to be designated by the Attorney General or his authorized representative for the period of

thirty days on each of Counts 8, 11 and 12, sentences to run concurrently and not consecutively; that execution of said thirty days' sentence be suspended and defendant be placed on probation for one year; and it is further ordered by the court that said defendant pay unto the United States of America a fine in the sum of one hundred dollars on each of Counts 8 and 11, and a fine of two hundred dollars on Count 12, making a total fine of four hundred ($400.00) dollars.

(Signed) J. F. T. O'CONNOR
United States District Judge

[Endorsed]: Filed this 17th day of February, 1942. (Signed) R. S. Zimmerman, Clerk. (By) Francis E. Cross, Deputy Clerk. [129]

[Title of District Court and Cause.]

NOTICE OF APPEAL WITH GROUNDS OF APPEAL

Name and Address of Appellant:
Edna W. Ballard,
1620 East 84th Place,
Chicago, Illinois.

Name and Address of Appellant's Attorneys:
David H. Cannon,
650 South Spring Street,
Los Angeles, California;
Roland Rich Woolley,
915 Transamerica Building,
Los Angeles, California.

Offense: Mail Fraud and Conspiracy to Commit Mail Fraud, Title 18, U.S.C., Sec. 338, and Title 18, U.S.C., Sec. 88.

Date of Judgment: February 19th, 1942.

Brief Description of Judgment or Sentence: One year in the County Jail and $1,000 fine on Counts 2, 3, 5, 7, 8 and 11, charging violation of Section 338 of Title 18, U.S.C. and one year in the County Jail and $2,000 fine, on Count 12, charging violation of Section 88 of Title 18, U.S.C. County Jail sentences to run concurrently with each other, and appellant was placed on probation under terms specified with sentence suspended.

Name of Prison Where Now Confined, if Not on Bail: On bail.

I, the above-named Appellant, hereby appeal to the United States Circuit Court of Appeals for the Ninth Circuit [130] from the judgment above-mentioned on the grounds set forth below.

EDNA W. BALLARD
Appellant

Dated: February 19th, 1942.

Grounds of Appeal:

Errors committed by the trial court in overruling and denying Appellant's objections to the introduction of evidence; in overruling and denying Appellant's motion for a directed verdict of not guilty made at the conclusion of the Government's case; in overruling and denying Appellant's motion for a directed verdict of not guilty made at the conclu-

sion of the entire case; in overruling and denying Appellant's challenge to the jury array; in overruling and denying Appellant's motion in arrest of judgment and in pronouncing judgment against the Appellant; and in overruling and denying the Appellant's motion for a new trial; in instructions given to the jury at the conclusion of the evidence and arguments in the case.

State of California,
County of Los Angeles—ss.

Peter T. Newhouse, being duly sworn, deposes and says: That he is a citizen of the United States, over the age of 21 years, and not a party to the foregoing action;

That he served the attached document on Ralph C. Lazarus, Assistant United States Attorney, and one of the attorneys for the plaintiff herein, on February 19, 1942, and leff with him a copy thereof.

PETER T. NEWHOUSE

Subscribed and sworn to before me this 19th day of February, 1942.

(Seal) REED E. CALLISTER
Notary Public in and for said County and State

Received copy of the within Notice of Appeal with Grounds of Appeal this....day of February, 1942.

WILLIAM FLEET PALMER
U. S. Attorney.
By RALPH E. LAZARUS.
Assistant U. S. Attorney.
Attorney for Plaintiff.

[Endorsed]: Filed Feb. 19, 1942: 1:40 P. M. [131]

[Title of District Court and Cause.]

NOTICE OF APPEAL WITH GROUNDS OF APPEAL

Name and Address of Appellant:
Donald Ballard,
1620 East 84th Place,
Chicago, Illinois.

Name and Address of Appellants Attorneys:
David H. Cannon,
650 South Spring Street,
Los Angeles, California;
Roland Rich Woolley,
915 Transamerica Building,
Los Angeles, California.

Offense: Mail Fraud and Conspiracy to Commit Mail Fraud, Title 18, U.S.C., Section 338, and Title 18, U.S.C., Section 88.

Date of Judgment: February 19th, 1942.

Brief Description of Judgment or Sentence: 30 days in the County Jail and $100 fine on Counts 8 and 11, charging violation of Section 338 of Title 18 U.S.C. and 30 days in the County Jail and $200.00 fine on Count 12, charging violation of Section 88 of Title 18, U.S.C. County Jail terms to run concurrently with each other, and appellant was placed on probation under terms specified with sentence suspended.

Name of Prison Where Now Confined, if Not on Bail: On bail.

I, the above-named Appellant, hereby appeal to the United States Circuit Court of Appeals for the Ninth Circuit [132] from the judgment above-mentioned on the grounds set forth below.

DONALD BALLARD
Appellant

Dated: February 19th, 1942.

Grounds of Appeal:

Errors committed by the trial court in overruling and denying Appellant's objections to the introduction of evidence; in overruling and denying Appellant's motion for a directed verdict of not guilty made at the conclusion of the Government's case; in overruling and denying Appellant's motion for a directed verdict of not guilty made at the conclusion of the entire case; in overruling and denying Appellant's challenge to the jury array; in overruling and denying Appellant's motion in arrest of judgment and in pronouncing judgment against the Appellant; and in overruling and denying the Appellant's motion for a new trial; in instructions given to the jury at the conclusion of the evidence and arguments in the case.

State of California,
County of Los Angeles—ss.

Peter T. Newhouse, being duly sworn, deposes and says: That he is a citizen of the United States, over the age of 21 years; and not a party to the foregoing action;

That he served the attached document on Ralph C. Lazarus, Assistant United States Attorney, and one of the attorneys for the plaintiff herein, on February 19, 1942, and left with him a copy thereof.

PETER T. NEWHOUSE

Subscribed and sworn to before me this 19th day of February, 1942.

(Seal) REED E. CALLISTER

Notary Public in and for said County and State

Received copy of the within Notice of Appeal with Grounds of Appeal this ..... day of February, 1942.

WILLIAM FLEET PALMER,
U. S. Attorney,
By RALPH E. LAZARUS,
Assistant U. S. Attorney,
Attorney for Plaintiff.

[Endorsed]: Filed Feb. 19, 1942 1:40 P. M. [133]

United States District Court, Southern District of California, Central Division

No. 14858-O'C Criminal

UNITED STATES OF AMERICA,

Plaintiff,

vs.

EDNA W. BALLARD,

Defendant.

STATEMENT OF DOCKET ENTRIES

1. Indictment in 12 counts for violation Title 18, Section 338 and Title 18, Section 88, United States Code—filed April 9, 1941.

2. Arraignment October 13, 1941.

3. Plea to indictment: Not Guilty.

4. Trial by jury 32 days (December 2, 3, 4, 5, 6, 10, 11, 12, 16, 17, 18, 19, 23, 30, 31—1941; January 6, 7, 8, 9, 13, 14, 15, 16, 20, 21, 22, 23, 27, 28, 29, 30, 31—1942).

5. Verdict filed January 31, 1942: Guilty counts 2, 3, 5, 7, 8, 11, 12 and Not Guilty counts 4, 6, 9, 10. (Count 1 previously dismissed on January 8, 1942)

6. Judgment entered February 17, 1942: Imprisonment in an institution of County Jail type for one year on each counts 2, 3, 5, 7, 8, 11 and 12, sentences to run concurrently; execution said one year's sentence suspended and defendant placed on

probation one year; further ordered defendant pay fine $1000 each counts 2, 3, 5, 7, 8, and 11 and a fine $2000 on count 12, making total fine of $3,000.

7. Notice of Appeal filed February 19, 1942.

Date: February 20, 1942.

Attest:
R. S. ZIMMERMAN,
Clerk,
By: JOHN A. CHILDRESS,
Deputy. [134]

United States District Court, Southern District of California, Central Division

No. 14858-O'C Criminal

UNITED STATES OF AMERICA,
Plaintiff,

vs.

DONALD BALLARD,
Defendant.

STATEMENT OF DOCKET ENTRIES

1. Indictment in 12 counts for violation Title 18, Section 338 and Title 18, Section 88, United States Code—filed April 9, 1941.

2. Arraignment October 13, 1941.

3. Plea to indictment: Not Guilty.

4. Trial by jury 32 days (December 2, 3, 4, 5, 6, 10, 11, 12, 16, 17, 18, 19, 23, 30, 31—1941; January 6, 7, 8, 9, 13, 14, 15, 16, 20, 21, 22, 23, 27, 28, 29, 30, 31—1942)

5. Verdict filed January 31, 1942: Guilty counts 8, 11, 12 and Not Guilty counts 2-7 inclusive, 9, 10. (Count 1 previously dismissed on January 8, 1942)

6. Judgment entered February 17, 1942: Imprisonment in an institution of the County jail type 30 days on each counts 8, 11, 12, sentences to run concurrently; execution said 30 day's sentence suspended and defendant placed on probation one year; further ordered defendant pay fine $100 each counts 8 and 11, and fine $200 on count 12, making total fine $400.

7. Notice of Appeal filed February 19, 1942.

Date: February 20, 1942.

Attest:

R. S. ZIMMERMAN,
Clerk,
By JOHN A. CHILDRESS,
Deputy. [135]

[Title of District Court and Cause.]

SPECIFICATION OF ERRORS

Come now the defendants Edna W. Ballard and Donald Ballard, and each in connection with this appeal makes the following specification of errors

which she and he separately aver, and they jointly aver, occurred in the trial of this cause:

I.

The District Court erred in entering judgment against, and in pronouncing sentence upon, the defendants, in that the matters and things alleged in the bill of indictment or in any count thereof do not constitute an offense against the laws of the United States, and the Court erred in overruling the demurrer for the reasons set forth in said demurrer.

II.

The District Court erred in overruling and refusing to grant the motion of the defendants, and each of them, to strike the counts and portions of counts of the indictment for the reasons set forth in said motion to strike.

III.

The District Court erred in overruling the amended motion of the defendants, and each of them, to quash the indictment for the reasons set forth in said amended motion to quash.

IV.

The District Court erred in overruling the challenge of the defendant Edna W. Ballard to the jury array for the reasons set forth in the "Challenge to the Jury Array" interposed by said defendant Edna W. Ballard.

V.

The District Court erred in overruling the challenge of the defendants, and each of them, made at the commencement of the trial to the entire panel on the ground that there had been discrimination in the selection of the jury and on the particular ground that no women were called on the said panel.

VI.

The District Court erred in denying the motions of the defendants, and each of them, made at the outset of the trial to dismiss the prosecution. The grounds of said motion were those theretofore set forth in the motion to dismiss (demurrer and amended motion to quash).

VII.

The District Court erred in denying the motion made by the defendants, and each of them, at the close of the Government's case to dismiss the defendants, and each of them. The grounds of said motion were those set forth in the demurrer and in the ensuing motion for directed verdict.

VIII.

The District Court erred in denying the motions of the defendants, and each of them, made at the close of the Government's case, to instruct the jury to find that the defendants, and each of them, were not guilty. The grounds of said motions were that the evidence adduced was insufficient to support a

verdict of guilty and that all the evidence adduced was as consistent with innocence as with guilt.

IX.

The District Court erred in overruling the motion of the defendants, and each of them, made at the close of all of the evidence, for a dismissal. The grounds were the same as set forth in the demurrer and in the motion for dismissal made at the conclusion of the Government's case.

X.

The District Court erred in overruling the motion made by the defendants, and each of them, made at the close of all of the evidence, for the direction of a verdict of acquittal. The grounds were the same as those assigned in the motion for a directed verdict of acquittal made at the conclusion of the Government's case.

XI.

The District Court erred in overruling the motion of the defendants, and each of them, for a new trial. The grounds were those set forth in the motion for new trial.

XII.

The District Court erred in overruling the motion of the defendants, and each of them, for an arrest of judgment. The grounds were those set forth in said motion for arrest of judgment.

XIII.

The District Court erred in allowing and permitting counsel for the Government to make inflammatory, prejudicial and ridiculing remarks to the jury in connection with the argument and in allowing counsel for the Government to make improper insinuations, analogies and inferences to and from the evidence, particularly the documentary evidence during the course of their argument, all of which improper action on the part of counsel for the Government was calculated to and did mislead the jury and encouraged the jury to, and the jury did, go beyond and outside of the issues actually submitted to the jury and to, as a matter of fact, render a verdict based upon its decision as to the truth or falsity of the religious tenets and beliefs of the defendants. The aforesaid improper argument of counsel for the Government questioned the actuality of religious matters taught by the defendants, the verity of the existence of the ascended masters referred to by the defendants in their religious tenets and the verity of the experiences the defendants or accredited messengers claim to have had with said ascended masters.

XIV.

The District Court erred in entering judgment against, and in pronouncing sentence upon, the defendants, and each of them, in that the verdict was void as a result of what constituted an amendment to the indictment by the Court during the course of the trial, in that the court removed issues as con-

tained in the indictment concerning the experiences of the defendants with the ascended masters, the truth or falsity of the existence of the ascended masters, and the religious concepts and beliefs of defendants, the Court having stated:

"First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable.

"I point that out as one of the many statements.

"Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They (the jury) are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this court.

"The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

"If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty.

"Therefore, gentlemen, religion cannot come into this case. I want to assure Judge Armstrong and the defendants and the Government that it will not be permitted to come in.

"Now, we take up the third point, so there is going to be no misunderstanding so far as the Court is concerned.

"No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were. And the defendants, I assume, from counsel and counsel's statements with reference to the books and pamphlets, have not so far withdrawn a single word of what they have written or what they have preached. The defendants, so far as I can gather it from the case, although they haven't started to put it in, are standing on the whole—not program, but the whole conception (I think that is a better

word)—the whole conception of their relationship with the diety or, as it is used here, with the I Am Presence.

"Now, gentlemen, that is going to be made so clear to this jury that they are not going to misunderstand it. And that is the whole case."

(Tr. Vol. 7, pages 837 to 839.)

This resulted in a denial of the constitutional right to be tried on an indictment returned by the grand jury.

XV.

The District Court erred in not sui sponti dismissing the action herein after the Court had in effect amended the indictment by removing from the jury the consideration of the truth or falsity of the experiences of the defendants with the ascended masters and the verity of the existence of the ascended masters, in that by such amendment the purported indictment remaining failed to constitute an offense against the laws of the United States.

XVI.

The District Court erred in withdrawing from the jury certain issues raised by the indictment, to wit, the issues relating to the truth or falsity of representations made by the defendants concerning religious concepts, and in directing that no proof would be taken or heard in the course of the trial upon said issues.

XVII.

The District Court erred in overruling the objection of the defendants, and each of them, to the question propounded to the witness Harry F. Sieber as to whether he recalled what sum was stated to be the cost per volume of the initial, or first, publication of "Unveiled Mysteries", said objection being upon the following grounds:

Mr. Cannon: That is objected to on the ground * * * that the matter of the cost of these books or the prices at which they were sold is wholly and entirely immaterial on the ground that the element of profit or loss in the publication or sale of these books is no element to be considered in a mail fraud case.

The Court: Objection overruled.

Mr. Cannon: Exception.

May we at this time—I think it is a valid objection—may we without specifying each time—have a running objection to any and all testimony offered with respect to the cost of printing of these books and pamphlets and cost of the distribution of them or sale as not being within the issues and not being the proper subject matter?

Mr. Neukom: We have no objection to that theory.

The Court: Yes, it may be so understood.

The Court has already ruled that, in his opinion—the Court's opinion—the purpose of this is to show motive, good faith, and intent; and limited to

that it is permissible to permit this evidence before the jury.

It is further understood that whenever these questions are asked and answers given, that the same objection of Mr. Cannon as now made before the Court, without repeating, are made to all such questions and all such answers, and exception allowed to the defendants, and each of them.

The witness was thereupon permitted to testify that the cost per volume of the first publication of "Unveiled Mysteries" was something over a dollar; that the cost of the second edition was 26½ cents per volume; that they were being sold to the students for $2.50; that the major portion of the cost of the second edition was $900; that the "Magic Presence" was sold for $2.75 for the trade edition and $5.00 for the edition autographed by Mr. Ballard, which latter had a better binding. (Tr. Vol. 4, pp. 255 to 269.)

XVIII.

The District Court erred in overruling the objection of the defendants, and each of them, to questions propounded to the witness Harry F. Sieber relating to receipts and disbursements set forth on Government's Exhibit 77, said objection being on the following grounds:

Mr. Cannon: We have the same running objection to this, on the ground that it is immaterial and has no bearing on the issues in the case, and is hearsay as against the other defendants.

Mr. Neukom: This is in your handwriting, this last exhibit?

The Witness: It is.

The Court: Same rule as I made yesterday and exception allowed. The exhibit will be received in evidence.

The Witness was permitted to testify that said exhibit is a statement showing the receipt of $1025.25 on 11/30/34 from the second class in Philadelphia exclusive of the sale of books, and showed expenses in the sum of $286.51, and the division of the balance, $369.37 to G. W. Ballard, and the same amount to H. F. Sieber. (Tr. Vol. 4, page 272.)

XIX.

The District Court erred in overruling defendants' objection to the admission of Exhibit 99, being a record of the total amount of books, charts and pictures sold from April 4, 1935 to September 1, 1935, on the ground that said exhibit was immaterial and irrelevant and upon the further ground that it was hearsay. (Tr. Vol. 5, p. 556.)

XX.

The District Court erred in sustaining an objection to the following question which counsel for the defendants sought to ask of the witness Max Gysi, "You have a very definite interest in seeing the Government prevail in this, haven't you?" (Tr. Vol. 5, p. 623.)

XXI.

The District Court erred in sustaining an objection made by the Government to the question propounded by counsel for the defendants to the witness Margaret Schall, as follows:

"Q. You are familiar with the references in the Holy Bible to the subject of precipitation, are you not?

"A. I know what you mean.

"Q. Yes.

"There are many such references, aren't there, Mrs. Schall?

"Mr. Lazarus: If the Court please, I object to this.

"The Court: Certainly. I will sustain it. I can't see where it has any reference at all. It certainly is improper cross examination.

"Mr. Donnelly: I am sorry, your Honor. Note an exception." (Tr. Vol. 7, p. 885.)

XXII.

The District Court erred in overruling objections of the defendants to questions propounded to the witness Dr. Nephi Cottam. Said objections were made upon the ground that the questions propounded were not within the scope of the indictment page 5 paragraph I, thereof. The testimony admitted over said objection was in substance as follows:

That one side of the brain of Mr. Ballard was heavier than the other; that the brain was off

balance and that this produced improper balance throughout his entire body, that he then proceeded to adjust Mr. Ballard according to the principles of imbalance that he observed in Mr. Ballard's brain, that he released the brain and produced balance therein and also in the body; that he observed that Mr. Ballard had a bad case of catarrh, was syanose and pasty looking; that Mr. Ballard's right eye was smaller than his left eye, the right side of his face was smaller than his left; his chest was hollow, the trapesium muscles were small, the shoulders were poorly padded; that the liver was hard, the liver, heart and pancreas were congested, and the abdominal cavity was prolapsed; that his right leg was shorter than the left and his right hip higher and twisted toward the back. (Tr. Vol. 8, pp. 1094-5-6-7; 1104-5.)

XXIII.

The District Court erred in overruling the objection of the defendants to a question propounded to the witness Virginia LaFerrera as to statements made by Mrs. Ballard concerning jewelry she wore, which objection was made upon the ground that the witness was being interrogated upon a subject not referred to, averred or charged in the indictment. The substance of the testimony admitted over said objection was as follows:

That on many occasions Mrs. Ballard had stated that the only reason she had for wearing jewelry, especially large jewels, was that they carried a

powerful healing radiation and that she used them in that work. (Tr. Vol. 10, p. 1361.)

Said evidence was admitted by the Court subject to a motion to strike if not connected up. Thereafter, and at the conclusion of the Government's case, a motion was made to strike said testimony and said motion was denied. (Tr. Vol. 18, p. 2990.)

XXIV.

The District Court erred in denying the motion of the defendants to strike out the testimony of the witness Maude Hill pertaining to the appendix of said witness being the tail of a black magician. Said motion was made on the ground that the testimony was wholly immaterial, that it was a statement of a past occurrence and could not possibly have been a part of the scheme to defraud. Said motion was made on the further ground that the testimony was an attempt by the prosecution to get inflammatory testimony before the jury. (Tr. Vol. 11, pp. 1529-30; 1537-38.)

XXV.

The District Court erred in overruling the objection of the defendants to the admissibility of Exhibit 142, which objection was made on the ground that the exhibit did not tend to prove any issue in the case and was immaterial. Said exhibit relates to nine separate reports of books, etc., sold at classes, including the amount of love gifts received. (Tr. Vol. 12, pp. 1776-7.)

XXVI.

The District Court erred in overruling the objection of the defendants to the admissibility of Exhibit 143. Said objection was made on the ground that the contents of said exhibit did not prove or disprove any issue in the indictment. Said exhibit pertains to accounts of sales at a Washington class in 1939. (Tr. Vol. 12, p. 1796.)

XXVII.

The District Court erred in sustaining an objection to the following question asked of the witness Paton B. Crouse on cross-examination:

"Mr. Cannon: And how long prior to the time of this March episode I last referred to had you been making love to Marjorie Ballard.

"Mr. Neukom: Now, I object to that as assuming something not in evidence, and it is merely made for the purpose of attacking this witness.

"Mr. Cannon: Absolutely, that is the reason.

"The Court: Sustained."

(Tr. Vol. 12, pp. 1834-35)

XXVIII.

The District Court erred in overruling the objection of the defendants to the question propounded to the witness Ted Dahl as to how much money he handled for the Ballard organization for radio advertising. Said objection was made upon the ground that it was immaterial; that there was no charge of any embezzlement or misuse of any funds in con-

nection with radio advertising; and upon the further ground that the question was too indefinite. The witness was permitted to testify that during his association with the Ballard movement he handled for radio advertising approximately $190,000. (Tr. Vol. 14, pp. 2111-12).

XXIX.

The District Court erred in overruling the objection of the defendants to a question asked of the witness Ted Dahl as to how many radio stations were broadcasting transcriptions. Said objection was made on the ground that the question was immaterial, and the witness was permitted to answer that over 100 stations broadcast the transcriptions. (Tr. Vol. 14, p. 2117).

XXX.

The District Court erred in overruling the objection of the defendants to the question asked of the witness George Thomas Stevens as follows:

"Mr. Neukom: What did Mr. Ballard say with respect to this young couple?

"Mr. Cannon: Objected to as being immaterial, and not tending to support any issue in this case or any charge made in the indictment. There is nothing in the indictment with respect to any advice as to legacies or inheritances, or anything of that kind or character.

"The Court: At this time we will overrule the objection and note an exception to the defendants."

The Witness testified that Mr. Ballard said that a young couple had received a legacy and had foolishly invested it in a house when it would have been much better to have put it into the work, because they could have the use of that home for such a short time, in view of the fact that a general cataclysm was about to arrive and they would have little use for a home. (Tr. Vol. 15, pp. 2293-95.)

XXXI.

The District Court erred in overruling the objection of the defendants to a question asked of Donald Ballard as to how many automobiles had been purchased for him by the Saint Germain Press, Saint Germain Foundation, his mother or his father. Objection thereto was made upon the ground that it was not proper cross-examination, and not within the scope of the direct examination.

The witness was permitted to testify that prior to the indictment one automobile had been bought for himself and one jointly for his wife and himself, and that at one time he had had the temporary use of various cars owned by the Saint Germain Foundation. (Tr. Vol. 24, pp. 4059-60-61-62.)

XXXII.

The District Court erred in permitting misconduct of counsel for the Government in asking the defendant Edna W. Ballard the question, "Have you ever read Grimm's Fairy Tales, Mrs. Ballard?" (Tr. Vol. 26, p. 4433) (to which said defendant

replied in the negative), while the Government attorney was questioning her concerning her religious tenets and in permitting counsel for the Government to ask this defendant the question, "Mrs. Ballard were you around San Francisco during the earthquake of 1904", (to which no reply was elicited), while interrogating this defendant concerning religious beliefs and tenets relating to the prevention of destruction through decrees, both of said questions having obviously been asked of the defendant for the purpose of holding up to ridicule before the jury her religious tenets and beliefs. (Tr. Vol. 26, pp. 4442-43.)

XXXIII.

The District Court erred in overruling the objection of the defendants to a question asked of the witness Ethel S. Adams as to what either Mr. or Mrs. Ballard had said with reference to donations or gifts to them. Said objection was made upon the ground that the question was not proper rebuttal. Said witness was permitted to testify that Mr. and Mrs. Ballard had said at meetings that persons should give freely so that they could expect to receive freely and that boxes or baskets were passed through the audience during the evening; that the ascended masters would know of gifts which were received and that the giver would be rewarded in kind with interest. (Tr. Vol. 27, pp. 4513-14-15-16-17-18.) The witness further testified that Mr. and Mrs. Ballard had stated at a meeting in the Trinity

Auditorium in 1935 or 1936, that in order to purify the listeners' physical bodies and to make it possible to come back in a physical body through another life, an understanding of the I Am work would have to be obtained through the current publication, "Unveiled Mysteries". (Tr. Vol. 27, p. 4519.)

The District Court further erred in overruling the objection of the defendants to a question propounded to this witness as to whether she remembered attending a meeting in July of 1938 where a statement was made by Edna W. Ballard with reference to criticism directed toward her. Objection was made on the ground that the question was not proper rebuttal and the witness was permitted to testify that at said time Mrs. Ballard stated that she was going to give the people a scolding, that many rumors had been coming in of criticisms; that she was getting tired and sick of it, and pounded the desk with her fists, saying that if there was anybody within sound of her voice who dared to criticise her or her work that they might never have been born and that the time would come when they would wish they had not been; that Mrs. Ballard stated, "We are eating the meal. The pie is good and we like it." (Tr. Vol. 27, pp. 4522-25.)

The District Court further erred in denying a motion of the defendants to strike the testimony of said witness Ethel S. Adams on the ground that it was not proper rebuttal testimony. (Tr. Vol. No. 27, pp. 4534-35.)

XXXIV.

The District Court erred in overruling the objection of the defendants to the admission of Exhibit 203. Said objection was made on the ground that the use thereof violated Articles IV, V, and VI of the Constitution of the United States; that the said letters and statements contained therein were not voluntarily produced but involuntarily, by reason of the necessity of rebutting an erroneous charge by the Government at a former trial of these defendants. Said Exhibit 203 consists of letters written by Guy W. Ballard from Mt. Shasta, California, addressed to the defendant Edna W. Ballard and relate to the writing of the book, "Unveiled Mysteries", by said Guy W. Ballard while at said Mt. Shasta. (Tr. Vol. 17, p. 2799—Vol. 18, p. 2847.)

XXXV.

The District Court erred in denying the motion to strike certain specified evidence made by the defendants at the conclusion of the Government's case (these exceptions are numbered corresponding to their numbers in exception which will be known as Exception No. 80 in the Bill of Exceptions), said motions as to all of the following, were made upon the grounds that the evidence involved was immaterial and called for speculation by and conjecture of the jury as to the verity of the existence of the ascended masters and as to the verity of experiences had by the defendants with the ascended masters:

Subd. (5) Exhibit 72, being a letter dated October 26, 1934, addressed to Harry F. Sieber, typewritten signature of Saint Germain, advising Mr. Sieber in connection with various business affairs of the activity.

(16) Exhibit 93, being a letter dated December 25, 1934, typewritten signature of Saint Germain, addressed to Beloved Brother of the Light, extending Christmas greetings.

(17) Exhibit 94, being a letter addressed to the Siebers, dated December 27, 1934, signed The Messengers, The Ballards, and reciting that they had had a marvelous discourse from Saint Germain on Christmas Day.

(19) From Exhibit 4 (The Magic Presence), page XI, to the effect that the book contained experiences of the author with the ascended master Saint Germain, and reciting some of the experiences.

(20) Exhibit 96, a document dated April 21, 1935, signed by Mrs. Ballard and reciting that a picture of Jesus Christ as painted by Mr. Sindelar was a perfect likeness of Jesus as seen by Mrs. Ballard.

(21) Exhibit 97, being a pamphlet entitled "New Pictures of the Ascended Master Jesus and Saint Germain"; this pamphlet recited that the likeness of Jesus painted by Mr. Sindelar was a likeness exactly as Jesus appeared to the Ballards.

(22) Exhibit 98, a document signed Saint Ger-

main, dated June 19, 1935, addressed to Beloved Brother of the Light (Max Gysi), and instructing that publications of the Sun Publishing Company should not be given out, but that the students' attention should be directed to the publications of the Saint Germain Press.

(23) A portion of Exhibit 12, page 4, April 1936 issue of "The Voice", reciting that the colors red and black are never used by an ascended master.

(24) From Exhibit 28, August 1937 issue of "The Voice" to the effect that red according to the ascended masters is an undesirable color.

(27) Exhibit 101, being a letter to Mr. Gysi, signed Saint Germain, dated October 3, 1935, reciting that human criticism should not be allowed to cause discord.

(29) Exhibit 103, being a document dated November 19, 1935, addressed to "To Whom It May Concern", signed Saint Germain, disaffirming mistakes of the Assistant Director Max Gysi, particularly in which he referred to a Mrs. Iola Bernard having precipitated stones.

(32) Exhibit 109, being a letter addressed to Harry Rogers, dated October 31, 1939, signed Saint Germain, to the effect that Saint Germain directs that no more money should be contributed by the students to Catherine Rogers or Virginia La Ferrera, and to the effect that all students are released from their promise to stand by Mr. Rogers' group.

(34) From Exhibit 29, September 1937 issue of "The Voice" to the effect that Saint Germain had

taken the Ballards and shown them the law and given them full authority and that Saint Germain had come to the Ballards in his visible, tangible body.

(36) From Exhibit 48, April 1939 issue of "The Voice", to the effect that Jesus said in His Discourse that those who doubted that He, Jesus, used certain language in other discourses were unfortunate, as He had used the language of said discourses.

(40) From Exhibit 5, at pages 118 and 119, to the effect that questions arise with the students concerning precipitation of money.

(46) From Exhibit 10, February 1936 issue of "The Voice", pages 7 and 8, the Discourse of Jesus Christ, wherein in effect Jesus Christ sanctioned the appointment of the Ballards as messengers and advised that the Students use the books of the Saint Germain Press.

(48) From Exhibit 104, a group letter, dated December 17, 1937, which recites that Jesus gave a dictation on Thanksgiving Day urging all to harmonize their feelings so as to attain greater success in the I Am activity.

(50) From Exhibit 29, September 1937 issue of "The Voice", page 3, in which Saint Germain expresses his gratitude to the student body and messengers for the assistance that they have given.

(52) From Exhibit 8, Ascended Master Light, at page 139, dictation of Mighty Astrea to the ef-

fect that a black magician had been seized and bound.

(54) From Exhibit 47, March 1939 issue of "The Voice", Mighty Victory's Discourse to effect that if the students went to India they would not have as much law as they were getting from the I Am without the great expense and to the effect that the messengers have not had a single failure in their application; that thousands of people have been healed by one call of the messengers.

(62) From Exhibit 18, October 1936 issue of "The Voice", at page 22, Saint Germain's discourse, to the effect that the last of the powerful black magicians had been seized.

(74) From Exhibit 58, February 1940 issue of "The Voice", page 32, Saint Germain's discourse, to the effect that ascension would be assured with obedience and that ascension was as practical as anything in the mechanical world.

(75) From Exhibit 46, February 1939 issue of "The Voice", page 19, from Great Divine Director's discourse to effect that thousands of students who would otherwise have died within five years would ascend.

(76) From Exhibit 52, August 1939 issue of "The Voice", Saint Germain's discourse concerning a new dispensation, that is changing the requirement of ascension from taking the physical body to merely taking the etheric body.

(78) From Exhibit 54, October 1939 issue of

"The Voice", Cosmic Master Ray O Light's discourse, to effect that in all the dictations given, no one conflicting statement has been made.

(79) From Exhibit 32, December 1937 issue of "The Voice", Jesus' Discourse, to the effect that the messengers are performing thousands more healings than Jesus performed.

(80) From Exhibit 48, April 1939 issue of "The Voice", Jesus' Discourse, to effect that there was only one thing that He did the messengers had not done, to wit, raising from the dead.

(92) Exhibit 122, a letter dated August 21, 1933 to Mrs. Muriel Bliss, signed Saint Germain, to the effect that Mrs. Bliss had fallen down in her duties, that her digression would have been greater if it had not been for the intercession of Saint Germain's messenger, Mr. "B".

(95) From "The Magic Presence", pages 363 to 364, reciting experiences had with the ascended masters.

(100) Exhibit 126, a letter dated June 22, 1939, to Virginia LaFerrera signed Saint Germain, to the effect that Mrs. LaFerrera was dismissed by reason of her vicious falsehoods.

(113) From Exhibit 11, March 1936 issue of "The Voice", to the effect that in the Royal Teton Mountains there is located the Great Council Hall where the great masters assemble.

(117) From Exhibit 54, October 1939 issue of "The Voice", K-17's dictation to the effect that K-17 stated that if the students would make the

call that he would assure them that three submarines on the way to the Panama Canal would be destroyed and to the effect that thereafter such destruction took place. (124) From Exhibit 32, December 1937 issue of "The Voice", page 3, Jesus' Discourse to the effect that thirty-four of those present at the time of the giving of the discourse had been present at Jesus' ascension 2000 years before and that Beloved Lotus was the only one who had written an accurate description of the mystery and ascension of Christ.

(135) Testimony of the witness Mrs. Hill that she had heard Mr. Paul Stickell state that he had seen Saint Germain.

(144) Group leader letter dated June 30, 1939 to the effect that Mr. Kelly had made an ascension and to effect that he was able to do so because he followed the teachings of the activity.

(145) From Exhibit 59, March 1940 issue of "The Voice", page 41, to the effect that Saint Germain had not verified the ascension of Kelly and until such was done pictures of Kelly should not be passed around as being one of those who have ascended.

(146) From Exhibit 59, March 1940 issue of "The Voice", page 34, to the effect that the inner work of Mr. Ballard's ascension had been completed in Honolulu in 1936 but his etheric body did not withdraw until December 31, 1939.

(147) From Exhibit 57, January 1940 issue of "The Voice", page 26, to the effect that Guy W.

Ballard made his ascension December 31, 1939 from Royal Teton.

(153) From Exhibit 8, "Ascended Master Light", Discourse of David Lloyd, to the effect that Betty Mundy is usually equal to the occasion of transcribing the dictations even though they come fast; that dictations are given fast because of the great release of power.

(154) From Exhibit 6, "Ascended Master Discourses", page IX, to the effect that Mr. Ballard received the discourses in words of living light before thousands of I Am students who felt the closeness and reality of the ascended masters.

(155) Testimony of Paton B. Crouse to effect that there was an ascended master by the name of "Ray O Light".

(156) Testimony of Paton B. Crouse to effect that there was an ascended master or mistress by the name of "Goddess of Liberty".

(162) Exhibit 145, group leader letter dated March 18, 1938, to effect that on the ensuing Sunday there would be ten ascensions, five from the Cave of Symbols in America, and five from the retreat in Arabia; that so it had been said by Saint Germain.

(171) From Exhibit 55, November 1939 issue of "The Voice", Jesus' discourse to effect that the Ballards had rendered great services and that they had healed a greater number in comparison to those of Jesus Himself.

(187) From Exhibit 29, September 1937 issue of

"The Voice", under the heading "Radio Broadcast", to effect that Mr. and Mrs. Ballard and Donald had stood in the visible, tangible presence of Saint Germain many, many times.

(190) From Exhibit 15, July 1936 issue of "The Voice", discourse of Saint Germain to the effect that what you really want you could precipitate, that you can just as easily find $10,000 in your pocket as 10 cents.

(218) From Exhibit 42, October 1938 issue of "The Voice", the Mighty Victory discourse, to the effect that individuals had at sometimes tried to deceive the messengers, believing that the messengers didn't know everything that was going on.

(277) From Exhibit 197, November 1940 issue of "The Voice", Saint Germain's discourse, to effect that some day Saint Germain would come forth in his tangible body and appear to the Minute Men and to the effect that things they don't have they can precipitate, but that the people of America have got to finance and support the work of the I Am.

(278) From the September 1940 issue of "The Voice" (no exhibit number given), from page 9, discourse of Mighty Cuzco to effect that all discarnate entities had been removed from Southern California and to the effect that the ascended masters had prevented spite activities from destroying Southern California.

(298) From Exhibit 43, November 1938 issue of "The Voice", page 19, to effect that Mr. Guy W.

Ballard had never done a dishonest or dishonorable thing in his entire life and never would.

(313) From Exhibit 18, October 1936 issue of "The Voice", Saint Germain's discourse, to the effect that it is possible for hundreds of students to make ascensions. (Tr. Vol. 18, page 2951 to Vol. 19, page 3108.

Wherefore, the defendants Edna W. Ballard and Donald Ballard, and each of them, pray by reason of the errors aforesaid that the judgment and sentence against and upon them, and each of them, be reversed.

ROLAND RICH WOOLLEY
JOSEPH F. RANK
RALPH C. CURREN
By ROLAND RICH WOOLLEY
Attorneys for Defendants.

Dated: April 17th, 1942.

Receipt of copy of the within Specification of Errors is admitted this 17 day of April, 1942.

WM. FLEET PALMER
United States Attorney
RALPH E. LAZARUS
NORMAN W. NEUKOM
Assistant United States Attorneys
By NORMAN W. NEUKOM
Attorneys for Plaintiff.

[Endorsed]: Filed Apr. 17, 1942.

[Title of District Court and Cause.]

PRAECIPE

To the Clerk of the District Court of the United States, Southern District of California, Central Division:

Please prepare printed record of the transcript on appeal in this cause and include therein the following:

1. The Indictment.
2. Demurrer to Indictment.
3. Motion to quash.
4. Supplement to motion to quash.
5. Motion to strike.
6. Amended motion to quash.
7. Amended motion to strike.
8. Order denying motion to quash, amended motion to quash, motion to strike and amended motion to strike.
9. Minutes pertaining to arraignment.
10. Minutes pertaining to empanelment of jury as to defendants Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus and William J. Cassiere.
11. Minute order of January 8, 1942 ordering that count one of the indictment be dismissed.
12. Order denying motion of defendants for directed verdicts of not guilty, entered January 9, 1942. [136]

13. Order denying the defendants' motion to dismiss and for directed verdict of acquittal, entered January 23rd, 1942.
14. Minute order setting forth the proceedings and the return of the verdict of the jury, including verdict of the jury pertaining to the respective defendants.
15. Order denying motion of defendants Edna W. Ballard and Donald Ballard for new trial and an arrest of judgment.
16. Proceedings on sentence and judgment of Edna W. Ballard and Donald Ballard.
17. Notice of appeal of Edna W. Ballard and Donald Ballard.
18. Statement of docket entries as to Donald Ballard and Edna W. Ballard.
19. Specification of errors.
20. Bill of exceptions.
21. This praecipe.

Dated: This 8th day of May, 1942.

ROLAND RICH WOOLLEY
RALPH C. CURREN
JOSEPH F. RANK
By JOSEPH F. RANK
Attorneys for Defendants,
Edna W. Ballard and Donald
Ballard.

Received copy of the within Praecipe this 8 day of May, 1942.

WM. FLEET PALMER,
United States Attorney,
RALPH E. LAZARUS,
NORMAN W. NEUKOM,
Assistant United States Attorneys
by NORMAN W. NEUKOM,
Attorneys for Plaintiff.

[Endorsed]: Filed May 11, 1942. [137]

In the District Court of the United States, Southern District of California, Central Division

No. 14858 O'C Criminal

UNITED STATES OF AMERICA,
Plaintiff,

vs.

EDNA W. BALLARD,
Defendant.

BAIL BOND ON APPEAL

Know All Men by These Presents:

That I, Edna W. Ballard, of the City of Los Angeles, California, as principal and the National Automobile Insurance Company, a corporation, as surety, are jointly and severally held firmly bound unto the

United States of America in the sum of Five Thousand and no/100 Dollars, for the payment of which said sum we and each of us bind ourselves, our heirs, executors, administrators and assigns.

The condition of the foregoing obligation is as follows::

Whereas, later, to-wit, on the 17th day of February, 1942, at a term of the District Court of the United States, in and for the Southern District of California, Central Division, in an action pending in said court in which the United States of America was plaintiff and Edna W. Ballard was defendant, a Judgment and sentence was made, given, rendered and entered against the said Edna W. Ballard, in the above entitled action, whereas she was convicted as charged under Counts Two, Three, Five, Seven, Eight, Eleven and Twelve in said indictment;

Whereas, in said judgment and sentence, so made, given, rendered and entered against said Edna W. Ballard, she was by said judgment sentenced to One year in the County Jail and to pay a fine of $1000.00 on each of Counts Nos. 2, 3, 5, 7, 8, and to One year in the County Jail on Count 12 and to pay a $2000.00 fine on said count No. 12, the terms of imprisonment to run concurrently with each other, and that the said Edna W. Ballard be placed on probation during this year, not to be required to serve [138] the sentence, and report to the probation officials.

Whereas, the said Edna W. Ballard has filed a notice of appeal from the said conviction and from

the said judgment and sentence, appealing to the United States Circuit Court of Appeals for the Ninth Circuit; and

Whereas, the said Edna W. Ballard has been admitted to bail pending the decision upon said appeal, in the sum of $5000.00.

Now, Therefore, the conditions of this obligation are such that if said Edna W. Ballard shall appear in person, or by her attorney, in the United States Circuit Court of Appeals for the Ninth Circuit on such day or days as may be appointed for the hearing of said cause in said court and prosecute *his* appeal; and if the said Edna W. Ballard shall abide by and obey all orders made by the said United States Circuit Court of Appeals for the Ninth Circuit and if said Edna W. Ballard shall surrender herself in execution of said judgment and sentence, if the judgment and sentence be affirmed by the said United States Circuit Court of Appeals for the Ninth Circuit; and if the said Edna W. Ballard will appear for trial in the District Court of the United States, in and for the Southern District of California, Central Division, on such day or days as may be appointed for retrial by said District Court, if the said judgment and sentence against *him* be reversed,

Then this obligation shall be null and void; otherwise to remain in full force and effect.

It is further agreed that the provisions of Rule 13 of the District Court for summary judgment

against sureties are deemed a condition of this recognizance.

EDNA W. BALLARD
Principal
Room 915 - 649 So. Olive
Address

NATIONAL AUTOMOBILE INSURANCE CO.
[Seal] By HARRY I. RUBIN
Attorney in Fact [139]

State of California,
County of Los Angeles—ss.

On this 17th day of Feb. A. D. 1941, before me, Ed Groves, a Notary Public in and for the County and State aforesaid, duly commissioned and sworn, personally appeared Harry I. Rubin, Attorney-in-Fact of the National Automobile Insurance Company, to me personally known to be the individual and officer described in and who executed the within instrument, and he acknowledged the same, and being by me duly sworn, deposes and says that he is the said officer of the Company aforesaid, and the seal affixed to the within instrument is the corporate seal of said Company, and that the said corporate seal and his signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the City

of Los Angeles, County of Los Angeles, the day and year first above written.

[Seal] ED GROVES

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires March 7, 1945.

Approved as to Form

W. FLEET PALMER
United States Attorney
BETTY MARSHALL GRAYDON
Asst. United States Attorney

I hereby certify that I have examined the within bond and that in my opinion the form hereof is correct and surety thereon is qualified.

ROLAND RICH WOOLLEY and
DAVID H. CANNON
Attorney for Defendant and Appellant

The foregoing bond is approved this 19 day of Feby 1942.

J. F. T. O'CONNOR
United States District Judge

[Endorsed]: 2/19/42 OK as to Amount. R. S. Zimmerman, Clerk U. S. District Court, Southern District of California. By Francis E. Cross, Deputy.

[Endorsed]: Filed Feb. 19, 1942. [140]

In the District Court of the United States, Southern District of California, Central Division

No. 14858 Criminal

UNITED STATES OF AMERICA,

Plaintiff,

vs.

DONALD BALLARD,

Defendant.

BAIL BOND ON APPEAL

Know All Men by These Presents:

That I, Donald Ballard, of the City of Los Angeles, California, as principal and the National Automobile Insurance Company, a corporation, as surety, are jointly and severally held firmly bound unto the United States of America in the sum of Twenty-five Hundred and no/100 Dollars, for the payment of which said sum we and each of us bind ourselves, our heirs, administrators and assigns.

The condition of the foregoing obligation is as follows:

Whereas, later, to-wit, on the 17th day of February 1942, at a term of the District Court of the United States, in and for the Southern District of California, Central Division, in an action pending in said court in which the United States of America was plaintiff and Donald Ballard was defendant, a Judgment and sentence was made, given, rendered and entered against the said Donald Ballard, in the

above entitled action, whereas he was convicted as charged under Counts Eight, Eleven and Twelve in said indictment;

Whereas, in said judgment and sentence, so made, given, rendered and entered against said Donald Ballard, he was by said judgment sentenced to Thirty Days in the County Jail on each of Counts Nos. 8, 11, and 12, the terms of imprisonment to run concurrently with each other, and to pay a fine of $100.00 on Count 8 and a fine of $100.00 on Count 11, and a fine of $200.00 on County 12, and that said Donald Ballard be placed on probation during this year, not to be required to serve the sentence, and report to the probation officials. [141]

Whereas, the said Donald Ballard has filed a notice of appeal from the said conviction and from the said judgment and sentence, appealing to the United States Circuit Court of Appeals for the Ninth Circuit; and

Whereas, the said Donald Ballard has been admitted to bail pending the decision upon said appeal, in the sum of $2500.00.

Now, Therefore, the conditions of this obligation are such that if said Donald Ballard shall appear in person, or by his attorney, in the United States Circuit Court of Appeals for the Ninth Circuit on such day or days as may be appointed for the hearing of said cause in said court and prosecute his appeal; and if the said Donald Ballard shall abide by and obey all orders made by the said United States Circuit Court of Appeals for the Ninth Cir-

cuit and if said Donald Ballard shall surrender himself in execution of said judgment and sentence, if the judgment and sentence be affirmed by the said United States Circuit Court of Appeals for the Ninth Circuit; and if the said Donald Ballard will appear for trial in the District Court of the United States, in and for the Southern District of California, Central Division, on such day or days as may be appointed for retrial by said District Court, if the said judgment and sentence against him be reversed,

Then this obligation shall be null and void; otherwise to remain in full force and effect.

It is further agreed that the provisions of Rule 13 of the District Court for summary judgment against sureties are deemed a condition of this recognizance.

DONALD BALLARD
Principal
Room 915 - 649 So. Olive
Address

NATIONAL AUTOMOBILE
INSURANCE CO.
[Seal] By HARRY I. RUBIN
Attorney in Fact [142]

State of California,
County of Los Angeles—ss.

On this 17th day of Feb. A. D. 1942, before me, Ed Groves, a Notary Public in and for the County and State aforesaid, duly commissioned and sworn, personally appeared Harry I. Rubin, Attorney-in-

Fact of the National Automobile Insurance Company, to me personally known to be the individual and officer described in and who executed the within instrument, and he acknowledged the same, and being by me duly sworn, deposes and says that he is the said officer of the Company aforesaid, and the seal affixed to the within instrument is the corporate seal of said Company, and that the said corporate seal and his signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the City of Los Angeles, County of Los Angeles, the day and year first above written.

[Seal] ED GROVES

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires March 7, 1945.

Approved as to Form

W. FLEET PALMER
United States Attorney
BETTY MARSHALL GRAYDON
Asst. United States Attorney

I hereby certify that I have examined the within bond and that in my opinion the form thereof is correct and surety thereon is qualified.

ROLAND RICH WOOLLEY and
DAVID H. CANNON
Attorney for Defendant and
Appellant

The foregoing bond is approved this 19 day of Feby 1942.

J. F. T. O'CONNOR
United States District Judge

[Endorsed]: 2/19/42 OK as to amount. R. S. Zimmerman, Clerk U. S. District Court, Southern District of California. By Francis E. Cross, Deputy.

[Endorsed]: Filed Feb. 19, 1942. [143]

[Title of District Court and Cause.]

CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the District Court of the United States for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 143 inclusive contain full, true and correct copies of Indictment; Demurrer; Motion to Quash; Supplement to Motion to Quash; Motion to Strike; Amended Motion to Quash; Amended Motion to Strike; Decision of Judge J. F. T. O'Connor; Minutes of Arraignment and Plea; Minutes of Impahellment of Jury; Minutes of dismissal of Count One; Minutes of denial of Motions for Directed Verdict at end of Government's Case; Minutes of denial of Motions for Directed Verdict at end of entire Case; Minutes on verdicts; Minutes on denial of motions for new Trial and for Arrest of Judgment; and on Pronouncement of Sentences; Judgments; Notices of Appeal; Statements

of Docket Entries; Praecipe for Transcript of Record on Appeal; and Bail Bonds on Appeal which together with the Bill of Exceptions and Specification of Errors and the Original Exhibits transmitted herewith constitute the record on appeal to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that the fees of the Clerk for comparing, correcting and certifying the foregoing record amount to $33.85, which amount has been paid to me by the Appellants.

Witness my hand and the seal of the District Court this 2nd day of June, 1942.

[Seal] EDMUND L. SMITH
Clerk
By THEODORE HOCKE
Deputy.

[Endorsed]: No. 10059. United States Circuit Court of Appeals for the Ninth Circuit. Edna W. Ballard and Donald Ballard, Appellants, vs. United States of America, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

Filed June 3, 1942.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

[Title of District Court and Cause.]

ENGROSSED BILL OF EXCEPTIONS

Be It Remembered, that this cause came on regularly for trial on the 2d day of December, 1941, before the Honorable J. F. T. O'Connor, Judge of said Court, sitting with a jury, Wm. Fleet Palmer, United States Attorney, Norman W. Neukom and Ralph E. Lazarus, Assistant United States Attorneys, appearing as attorneys for the plaintiff; David H. Cannon, Ames Peterson, W. I. Gilbert, Jr., James R. Armstrong, and Horace J. Donnelly, Jr., appearing as attorneys for the defendants, whereupon the trial of said cause proceeded, and the following proceedings were had:

Exception No. 1.

The Clerk: Trial in the case of United States v. Edna Ballard, and others.

Mr. Cannon: If the Court please—I want this for the record before the jury is called—the defendants jointly and severally challenge the jury as an entire panel on the ground that there has been discrimination in the selection of the jury [1*] panel, particularly in that no women are called on the panel, and upon the other grounds upon which the challenges filed to the entire jury array were summoned as jurors in the case.

---

*Page numbering appearing at bottom of page of "Engrossed Bill of Exceptions."

The Court: An exception is allowed to the defendants.

Mr. Cannon: If the Court please, may we put into the record a stipulation as to the summoning of this jury, that is, that no women were called on this panel as trial jurors solely because of the fact that they were women and following the usual practice in this district.

Mr. Neukom: We join in that, with this proviso, that we stated that it was always the practice of the judges in this court to not use women. As to the reasons, I don't know. Thereupon the jury was impanelled.

Exception No. 2

Mr. Cannon: I would like at this time to make a motion.

The defendants at this time jointly and severally move the Court to dismiss the prosecution here on all of the grounds heretofore set out in the motion to dismiss heretofore filed and argued and which was filed in writing some weeks ago, and also upon the ground that the opening statement of the prosecution does not present a case to go to the jury.

The Court: The motion will be denied, and an exception will be allowed to each of the defendants.

It was stipulated between counsel that the Government may offer in evidence and have marked as Government's Exhibits 1 and 2, respectively, the Articles of Incorporation of the Saint Germain Foundation, an Illinois corporation, and the Articles

of Incorporation of Saint Germain Press, Inc., and Illinois corporation, which exhibits were received in evidence and so marked.

Thereupon

J. H. VAN METER

was called as a witness in behalf of the Government and testified as follows:

I am a Post Office Inspector and I have been so employed since July 1, 1935. The investigation of the defendants in connection [2] with the I Am organization commenced the latter part of 1939. I was present at a conference at the Biltmore Hotel on July 15, 1940, at which in addition to myself, Postal Inspector Callahan, Donald Ballard, Paul Stickell, Mrs. G. W. Ballard, Betty Mundy, Mr. Armstrong, Bert Corporon, Frederick Landwehr, Jack Koster, Henry B. Ely and Frank N. Vonderhoya were present. The first statement at the conference was made by Mr. Ely who said that in a telephone conversation with Mr. Callahan a few days prior Mr. Callahan had told him that he desired to ask Mrs. Ballard certain questions concerning her business and that the meeting had been arranged for that purpose. The conversation held on this date was being transcribed on a recording device which was there and the conversation was recorded on records. Neither Mr. Callahan nor myself took the machine there. It was there when we

(Testimony of J. H. Van Meter.)

arrived. Frank Vonderhoya and Donald Ballard were operating it. It was operated during the entire interview, except that as we were leaving, when certain books were given to us, I believe the machine had been turned off. After the interview, Mrs. Ballard told us that we might have a copy of the recording, that they could dub off another set of records and that they would be glad to furnish that for us if we wanted it. I did receive records which were alleged to be a transcription of the conference. (Tr. Vol. 2, p. 76.)

The carton containing four cardboards with records inside is the carton I received after the conference at the Biltmore Hotel on July 15, 1940. The records shown to me were inside the carton. I received the carton from Henry B. Ely and since receiving the carton, have played the records on a machine which acts as a phonograph. From my knowledge and recollection of what transpired at that conference at the Biltmore Hotel on July 15, 1940, these records appeared to reproduce accurately the conference as it occurred. The Mr. Ely who gave me the [3] records was the same Mr. Ely who was at the conference and spoke during it from time to time. I believe that from my recollection of the conference, I am able to determine when playing these records who was speaking at specific times, except in those instances where there were two or three people speaking at the same time, which occurred occasionally on the records. Said

(Testimony of J. H. Van Meter.)

records, which are Government's Exhibit 9, were thereupon offered in evidence by the Government.

Exception No. 3

Mr. Cannon: If the Court please, at this time, on behalf of the defendants, we object to the offer on the ground that no sufficient or any foundation has been laid for their introduction in evidence; on the further ground that it is an interview alleged to have occurred between persons not now on trial and not now charged with any offense; and on the further ground that they contain many statements that are wholly and entirely immaterial and irrelevant and have no bearing upon the case or any issue in the case.

The Court: Objection overruled. Exception allowed.

It was thereupon stipulated between counsel for the Government and for the defendants that when an objection was made by Mr. Cannon the objection would be understood to be made on the part of all defendants, unless a defendant disclaimed the objection. It was further stipulated that such objection may be deemed to be taken separately as to each defendant and the exception taken in the same manner.

Mr. Lazarus: With the Court's permission, at this time I ask leave to play these records to the Court and to the jury.

(Testimony of J. H. Van Meter.)

The Court: The objection is on the record, and exception allowed.

Mr. Cannon: It will run throughout the entire [4] proceedings with respect to these records?

The Court: Oh, yes.

It was thereupon stipulated that certain books, marked Exhibits 3 to 8, inclusive, for identification and magazines, marked Exhibits 10 to 62, inclusive, for identification were given to the witness by Mrs. Ballard at the close of the conference, and that two booklets, marked Exhibits 65 and 66, for identification, were delivered to the witness at the same time.

The Witness: Government's Exhibits 63, 64 and 67 were turned over to me several weeks after the interview by Mr. Vonderhoya, who said he was a member of the Ballard staff.

The authenticity of the documents was stipulated to by counsel. (Tr., Vol. 2, pp. 83, 84; Vol. 3, pp. 110, 111.)

Voir Dire Examination

By Mr. Cannon:

The Witness: Possibly one of the very first things that was said when we went into the conference was a statement by Mr. Ely who said: "This meeting is held pursuant to a request of Mr. Callahan of the United States Postal Inspection Service." I don't believe that was recorded. I recall some such statement being made. The interview was arranged in the following manner. Mr. Ely

(Testimony of J. H. Van Meter.)

called at the Postal Inspector's office here in the building about July 1, 1940, and asked to see Mr. Callahan and myself. He came in and said he represented Mrs. Ballard and that he understood an investigation was being made of Mrs. Ballard's activities, and that if we desired any information concerning Mrs. Ballard or her business, in all fairness to her we should talk to her about it; and that she would be glad to talk to us, and if we desired to have an interview with her he could arrange it. That is the way the interview came about. The records were delivered to me and have been in my office all of this time. A stenographer from our office, Morris Dechter, accompanied us to the interview. He took a stenographic report of as much of the interview as he could [5] get of it. He is not a court reporter.

Direct Examination

The records accurately represent most of the conversation had during the conference. When they stopped the machine to put on a new record, they would usually announce that, but there was a certain amount of conversation which was visiting and which wasn't recorded. Everything other than visiting was recorded. (Tr. Vol. 2, p. 89)

Thereupon the phonographic records were played and the following is a summary of the statements contained thereon. The statements hereinafter contained were in response to questions concerning said matters asked by Mr. Callahan:

(Testimony of J. H. Van Meter.)

Mr. Callahan: Mrs. Ballard, you understand that this is an investigation conducted under the authority of the Postmaster General to make inquiries where there are allegations made of misuse of the mails. And, of course, you do understand that this is purely voluntary on your part and not at all compulsory.

Mrs. Ballard: The official name of my business or organization is the Saint Germain Foundation, Inc.

Mr. Ely: "Inc." is not part of the name. The Saint Germain Foundation is a non-profit corporation organized under the laws of the State of Illinois, authorized to do business in the State of California, and perhaps other places. I don't know.

Mrs. Ballard: My residence address is 1620 East 84th Street—Place, Chicago. That is my home. I receive mail under other names than the Saint Germain Foundation. I receive mail under the name, Saint Germain Press, and my own personal mail. I also receive mail under our pen names, Mrs. G. R. King and Mr. G. R. King. I own the business or organization. The date of the incorporation is approximately December 12th or 15th, 1939.

Mr. Ely: That is the date of the incorporation of the Saint Germain Press, Inc. Saint Germain Foundation, Inc., I [6] believe, was incorporated in the spring of 1938.

(Testimony of J. H. Van Meter.)

Mrs. Ballard: I don't have the information concerning the capitalization.

Mr. Ely: As I recall it, it is a non-par value capitalization. In other words, it doesn't——

A Voice: There isn't any——

A Voice: No, this is for the Saint Germain Press, Inc.

Mr. Ely: The Saint Germain Foundation is a membership corporation and has no authorized stock outstanding. I think there are 10,000 shares of no par value stock in Saint Germain Press, Inc.

Mrs. Ballard: The shares of the Saint Germain Press belong to me.

Mr. Ely: Mrs. Ballard owns one-half of the shares outright and was bequeathed the other one-half by Mr. G. W. Ballard.

Mrs. Ballard: Donald Ballard is president. I am secretary and treasurer. Mr. Paul Potter is vice president.

Mr. Donald Ballard: There are two distinct corporations: One is the Saint Germain Press, Inc., which is a profit corporation, and the Saint Germain Foundation, which is a non-profit organization.

Mrs. Ballard: The officers of both organizations are the same. We do not do any advertising in magazines or newspapers or anything of that kind. We have our own magazines and our own books but no general—what is known——

(Testimony of J. H. Van Meter.)

Mr. Donald Ballard: We don't buy space in a conventional advertising channel.

Mr. Callahan: Now, approximately how many letters would you receive daily, that is——

Mrs. Ballard: I have no conception. It varies, [7] depending on whether a class is on or off. I have no way of telling that.

Mr. Callahan: Now, can you tell me this: Approximately the gross receipts per year?

Mrs. Ballard: That is variable—uncertain conditions. I do not know myself. Our auditor who is in Chicago would be the only one that would have that information. I haven't even got a representative figure what it would be last year, as I don't remember. I don't handle any of that. I just turn it over to them because I am busy with the other.

Mr. Armstrong: All that income and disbursement is filed with the Government in the report required through the Internal Revenue Department and is a public record anyway.

Mrs. Ballard: We have a magazine that is published monthly known as "The Voice of the I Am", but we carry no paid arvertising, just announcements of our own books or the magazines. There are six books now and a little pocket edition, really seven. The names are as follows: "Unveiled Mysteries", "The Magic Presence", "The I Am Discourses", "The Ascended Masters Discourses", "I Am Adorations and Affirmations", and "I Am De-

(Testimony of J. H. Van Meter.)

crees"—that is one volume—and "The Ascended Master Light". (Vol. 2, pp. 102, 103.)

Mr. Cannon: If the Court please, with respect to these stipulations, it will be understood that we are not stipulating as to their materiality or as to their admissibility at this time, because we want to make the record later.

The Court: It is so understood.

Thereupon, Mr. J. H. Van Meter was recalled to the stand and the playing of the recordings was continued:

Mr. Callahan: Now, when was the business founded or started——

Mrs. Ballard: You mean the sale of the books or the [8] tours?

Mr. Callahan: Well, the work, that is, the sale of the books or the—it is just a little difficult—I don't know exactly how to put it.

Mrs. Ballard: We don't fit into the general business category. It is out of the ordinary. Our first book came off the press about January 16, 1934, and the sales began from then.

Mr. Armstrong: Prior to that she had been teaching.

Mrs. Ballard: Prior to that the dictations were given and we had held classes publicly in Chicago for about two years.

Mr. Callahan: Now, you say the dictations were received.

(Testimony of J. H. Van Meter.)

Mrs. Ballard: Yes.

Mr. Callahan: Just what do you mean by that?

Mrs. Ballard: The dictation of the instruction contained in the books, which is the subject matter of the law that we teach; the same as a teacher would dictate a problem in arithmetic for the class to copy and go home and work out. The ascended master Saint Germain dictated these to Mr. Ballard in my presence in Chicago. Saint Germain came in a tangible body. You can't say a physical body because it is not, because it doesn't vibrate with the same density or radiation of our physical flesh, but it is a solid tangible body. You can shake hands with it. The ascended master lives in a visible, tangible body of substance that you can shake hands with, but it is far finer and more perfect than our own. (Tr., Vol. 3, p. 116.) It looks like a physical body to your physical eyes. Saint Germain is one of the ascended masters, the same as Jesus. There are other beings in this universe besides the human beings. Man must admit there is something bigger in this universe, something that is greater than mankind, and there are beings in this universe with more intelligence than man and far more perfect than man. We are surrounded by a universe greater than ourselves. It has law and order within it, and there [9] are beings greater than man who direct its greater manifestations. You must admit that mankind, with all their mistakes

(Testimony of J. H. Van Meter.)

and discord and ignorance, are surely not all the beings there are in the universe.

Mr. Callahan: Now, Saint Germain gave these dictations and then you and Mr. Ballard just copied them down, I mean, just as a stenographer would do?

Mrs. Ballard: Just as Mr. Dechter is taking them here. I sat at the table with a pencil and paper and took them down and other ascended beings besides Saint Germain dictated. Jesus himself has been present and dictated several. We have shaken hands with Him. He has held us in His arms. He is real, and I say that before every human being on this earth and all the divine beings of this universe, only because it is true and for no other reason. I bear witness to the reality of these great divine beings, the ascended masters of love, light, and wisdom, who are wholly perfect and have given this instruction to help mankind to become perfect also. I tell you the truth, the whole truth, and nothing but the truth, and because human beings do not know this law or have not understood how to come into the presence of the ascended masters, does not take them out of the universe nor make this law an untruth, nor we, falsifiers. (Tr. Vol. 3, p. 117.) They instructed us to get this instruction in printed form where humanity could have it for their own perusal so each one could apply the law explained and prove the truth of this law for each individual. We have never asked anybody to believe us. We

(Testimony of J. H. Van Meter.)

have said, "Here is the law, apply it, and you yourself will be your own proof of its truth and its practical application to help mankind harmonize, this misery and suffering under which they are now suffering." I do not know how or why we were selected to do this work. It is a matter that only the great law of light—A reason offered was that because of our previous service to humanity many times in [10] former lives, and we have never asked one dime from any human being on this earth. We have never asked for a student list. We have never drawn students from other organizations. We have never intruded on anyone's free will, mentally, emotionally, nor physically. We have given everyone freedom. We have offered only kindness, harmony and perfection, and the only thing we have asked mankind to let go of are the habits of thought and feeling that has made their suffering and limitation.

Mr. Callahan: Now, in connection with the—with your work, just what representations are made, that is, with reference to the—well, for instance, now if I were contemplating attending classes or joining, just what would I expect to receive, that is, just what are the benefits, or just what would accrue to a person by reason of accepting these teachings? That is the point I am trying to get at.

Mrs. Ballard: We have never made any promises. The ascended masters have said, "Here is the law. If you apply it, you may dissolve your discords of

(Testimony of J. H. Van Meter.)
mind, body, and affairs, make yourselves better citizens and true Americans, and enable you to help your fellowmen rise out of misery and destruction also." The ascended master Saint Germain has said many times, "No human being on earth can prove this law wrong and everyone can prove it right if he will apply it and harmonize his feelings." We mean that these people will be happier, healthier, kindlier, and of more use to their country and the world. Jesus said, "What I have done, all men shall do." We have believed Him enough to make the call to life to enable us to do what He did and by applying this law we have begun to do some of the things He did.

You are welcome to copies of the books and magazines. They are in the Congressional Library. They are in the principal large libraries in the country. We have furnished millions of copies in Braille for the blind and we have put them in libraries [11] in foreign countries, and we have reading rooms where people can go and read them totally free, without a cent of charge for anything. You can have an entire set. I have them here for you. I want you to realize that every bit of this instruction is based upon the law of energy, the law of light, energy and vibration, which is each one's own light, because you can do nothing without the use of energy. (Tr. Vol. 3, p. 123.)

Mr. Nash and Judge Donnelly, our attorneys in Washington, D. C., have guided us from the be-

(Testimony of J. H. Van Meter.)

ginning. Judge Donnelly hardly would advise us contrary to that which he believed was the right thing and we have no desire to do anything, but we have consulted with Government officials on every hand to understand what was required and how we could cooperate with them harmoniously.

Now, in regard to the advertising, I wish to state this: We did send until our present classes were closed announcements of our classes, and on the back of that was the list of the books, but that is all. It was more hand to hand, but sometimes it went through the mails, but we never said "Come to these classes."

Mr. Armstrong: That same advertisement is included in the printed volumes?

Mrs. Ballard: At present just the same advertising as is in the back of the books and we have never said to the public, "Now get this book. You must have one." We have never made any promises. We have said, "Accept this or reject it, as you please. It is the truth, but because you do not accept it does not take that truth out of the universe."

Mr. Callahan: In other words, you don't offer these books for sale, you don't advertise them, and you don't promise that they are going to obtain anything by buying the books?

Mrs. Ballard: No, because that would be contrary to our own law, and we have had to obey our own law first at his request. [12]

Mr. Armstrong: Mrs. Ballard, are we to under-

(Testimony of J. H. Van Meter.)

stand that the fundamentals of the instruction in these books and in the lectures are those great truths and laws of light that the ascended masters have used and preserved for the benefit of mankind since the beginning?

Mrs. Ballard: Yes, Judge.

Mr. Armstrong: And that is the reason why the world at large has not known the fullness of what is contained until this particular instruction—the world at large has not known of these activities and these instructions until they were released in these present activities.

Mrs. Ballard: That is true, because if mankind understands today this law as we do, they could not be destructive to each other. It would not be possible. We will do the thing that is harmonious and, therefore, add more harmony and greater blessing in our own individual lives. I want you to know that up until last November our classes have every one been open to the public for almost eight years. We only closed them in Washington, D. C., because of the biggest, unpardonable attacks by individuals who simply had one motive, to blackmail us to get something for nothing, and we issued the cards to keep out all who were not sincere. That is the only reason, and many of Mr. Hoover's men have been in many of our classes. There was also a heckling at the meetings and a great disturbance. That is why we closed them, to keep out just the trouble-makers. We had stink bombs in Boston. We—even a

(Testimony of J. H. Van Meter.)

long time after that we left them open, but when the viciousness got in we had to have police officers and make the classes closed just the same as a university or any other school.

I want the whole world to know this is not a cult. It is not a religion. It is not a philosophy. It is not a human opinion or theory, and it is not a racket. This is simply [13] the law of each individual's own life which we give free and have asked nothing in return but the individual's obedience to the law of his own existence, that he may be free. We have never asked obedience to us nor anything for ourselves personally. This is an educational, patriotic activity, because we are determined to protect the lives of our people with everything we know how to use.

May I say something else about the financial end?

We do not reserve anything financially for ourselves. We have no private income investments for money-making enterprises. Everything that comes into this work goes back into the expansion of it to serve the public and the United States of America, and we live for that one purpose alone. We have healed thousands and thousands and thousands of people and never had one dime in return. Mr. Ballard healed 20,000 people in eight years, and we have thousands of letters bearing witness to that, and people don't write in and say they are healed unless they are. But we have never asked a human being to ever write a letter or testimonial to anything we have ever done.

(Testimony of J. H. Van Meter.)

These people were suffering from various uncurable diseases that the doctors had given up completely. We have taken the dregs that the doctors were through with and the doctors themselves have admitted that it was something beyond their own power. There has to be a power in life bigger than mankind's destruction. I am not so conceited as to think there isn't a power in this universe that is greater than me, and if I keep my right attitude toward it it will give me of its blessings, and if I return those to mankind, they will give me of its blessing. (Tr. Vol. 3, p. 129.)

I am not so conceited as to think there is not a power in this universe greater than myself. If I give it my love and blessings, it will return greater blessings to me, and when I call [14] for those blessings to go to all mankind, then my work is filled with blessings also, and I stand, myself, as a living proof of the truth of this law, and I am sure at least one million students will stand and bear witness to this truth also of their own free will, without my asking them.

I do not know how many students we have at the present time. We have around three million, around in last December, approximately that. About one million of those are trained. Many of those are radio listeners, but we have a student body that is sincere and has been applying the law in each one's own locality for, I should think, around a million trained students throughout the world. We have

(Testimony of J. H. Van Meter.)

some very lovely groups in Scotland, in England. We have them in France, in Germany, Australia, in India, and also we have some in China and Africa, and we have them in Alaska, and we have them in Canada. (Tr. Vol. 3, p. 130.)

I couldn't tell you just now how many groups we have. We can't keep much track of the foreign study groups at this time. There are about a thousand domestic groups. They vary in size all the way from three people to a Shrine class.

Concerning the income, every bit of the money that comes in is voluntary. We have never mentioned it from the platform. Whatever money comes in through either the mails or in the classes is given of their own free will because they are grateful for the proof of the good they have had in their own minds and bodies and affairs.

The sale of books is voluntary. We never say, "You should buy a book and get so-and-so." You don't even have to buy the books. They are in every library, and we provide our own reading rooms. An individual that wants to understand this law does not even need to buy the books. They can read them in the library, and we provide reading rooms where they may go and read in nice, quiet, clean surroundings and not cost them a cent. [15] That is why I enjoy this investigation, and may I thank you for it, because I want this to be set right to the world. We have been called everything in the list, and there is not a word of truth in the viciousness

(Testimony of J. H. Van Meter.)

directed to this activity, I have taken air checks of the vitriolic broadcasts against this work, and I am ready to put those in anybody's records if those vicious individuals any longer interfere with this blessing to mankind for the protection of America.

Mr. Donald Ballard: One of the greatest sources of individual's activities that have tried to break up and destroy this work are the Communists and Nazi German and other un-American activities, because this activity is 100 per cent American patriotic, and those Communists and Nazi both hate this activity beyond all bounds of reason because it is a 100 per cent American and we will not tolerate anyone in our classes who does not willingly swear his allegiance to the United States of America, and even those in foreign study groups, while they are not required to take the pledge, are required to have the love and respect toward the United States of America because we feel that in America today is the only hope of sanity for the whole world.

Mrs. Ballard: We have school activities. One school is at the present time here in Los Angeles, down on Wilshire.

Now, may I say something about the books.

We donate the books to the libraries so the public can have them without any cost. We have sent them to prisons and other penal institutions to help harmonize the personal efforts of those held within them.

Mr. Callahan: Mrs. Ballard, now what do you mean by "decrees"?

(Testimony of J. H. Van Meter.)

Mrs. Ballard: The Bible says, "Thou shalt decree a thing and it shall be established unto thee." In other words, we use the great creative word of life, "I Am." We, as life, [16] acknowledge life's call for a certain manifestation by the use of our own energy. When we have issued decrees to annihilate and blast viciousness, that has never been applied to human bodies. We have called at all times to the light of the individual, which is his own mighty I Am presence, to annihilate the vicious and destructive desires, impulses, and plans within that individual, and also within ourselves, and we so state this in our I Am decree book and have since its first publication. We have never used a destructive force. The ascended masters do not use a destructive force, and the I Am presence never uses a destructive force, and that is more than those can say who are accusing us of anything that is wrong. There have been certain individuals dismissed from our staff who have left no stone unturned to be vicious to this work, simply because they did not care to discipline themselves to the point where they could be rid of their own vicious impulses, but with that, we are not concerned. We go on setting mankind free and blazing the light, perfection and blessings and protection which we wish to bring to every human being on this earth, and to protect the United States of America from every destructive activity at all costs. (Tr. Vol. 3, p. 139.)

We have used the radio for almost four years. Our script is all in the hands of the Federal Com-

(Testimony of J. H. Van Meter.)

munications Commission or the stations themselves, and we have never once been reprimanded by the Commission nor one complaint from the radio station. We are on about 25 stations throughout the country. Locally we are on KFWB night and morning. My night broadcasts are in person when we are not in session or in class or I am not out of town, and then when I am away, then we use transcriptions. The night broadcasts are in person except when I am out of town or we have a class in session.

Mr. Van Meter: Mrs. Ballard, who is the author of these books, that is, are they all authored by the late Mr. Ballard? [17]

Mrs. Ballard: They are not his works. They are dictations by these ascended masters. Please get that straight.

Mr. Van Meter: Who wrote them in their present form?

Mrs. Ballard: I took them down at Saint Germain's dictation and I punctuated them and proof read them and put them in printed form.

Mr. Armstrong: Did they go out under the general name of Mr. Ballard?

Mrs. Ballard: They go out under the pen name—well, some of them do, but we have the I Am Discourses under Saint Germain's name. The Ascended Master Discourses are dictations by various ascended masters, and so is the Ascended Master Light. The first two books, "Unveiled Mysteries" and "The

Magic Presence," are records of Mr. Ballard's own personal experiences with Saint Germain, and some of the other ascended masters.

Mr. Van Meter: You mean when you speak of dictations—just what do you mean? Just as though I were talking to you now?

Mrs. Ballard: Exactly.

Mr. Ely: I think an analogous situation is this: Today certain other people believe—I think an analogy is here: Certain people believe that the old testament and the new testament were dictated by the Holy Ghost to the particular writers and divinely inspired. Now, I say that is an analogy. Am I correct in that, Mrs. Ballard?

Mrs. Ballard: Yes, Mr. Ely, you are quite correct. Mankind has had divine beings who were their instructors since people first came to this earth, and we are still under the great infinite scheme of instruction that we have always been, and some of us have gone to school a little more attentively than others, that is all.

Mr. Ely: I may say that from a legal point of view, [18] the group known as Jehovah's Witnesses believe that very thing, and their right to distribute pamphlets was this spring upheld by the Supreme Court of the United States, regardless of any law that might be written by any person.

Mr. Van Meter: Now, these dictations are received and then they must be corrected. Is that right?

Mrs. Ballard: No, they are never corrected. We

(Testimony of J. H. Van Meter.)

do not presume to correct them. I said I punctuated them so they would be—and proof read them——

Mr. Donald Ballard: If I might add this, that they have to be punctuated and proof read because there isn't a stenographer in the world that doesn't make mistakes in transcribing things, and any printed subject has to be proof read. There isn't any book in the world that goes out that isn't. (Tr. Vol. 3, p. 144.)

Mrs. Ballard: Concerning the profits made from these books, everything above our expenses goes back into the expansion of the work to bless the people. And from the patriotic standpoint we have taken many people out of the classes because they would not stand and salute the flag or pledge allegiance to it or say the American's Creed. We have dismissed known Nazis, Communists, and downright vicious individuals.

May I say this about the finances?

We have a very fine first-class set of auditors in Chicago and have had them on our books from the beginning, and they have signed our federal income tax report with us, which should surely speak for itself. You know that is not ordinary. They are certified public accountants. They have been our accountants ever since we began paying income tax. The first year we didn't make money enough off of anything to pay an income tax.

Mr. Donald Ballard: The first year's business was [19] practically absorbed by initial cost.

(Testimony of J. H. Van Meter.)

Mrs. Ballard: We started without a dime, and we have given and given and given, and naturally—and the people are grateful for good, and they have given back to us in return, which we love and bless and amplify and return it to America again, and so shall we go on and on until all mankind understands that if they would use the energy with which they condemn other people, they could create in their own worlds the very thing that they want and condemn in others.

The Saint Germain Foundation has been exempted from taxes by the Federal Government, the Internal Revenue Department's own rules, because of our purpose.

We have presented everything and given everybody all the opportunity they wanted for eight years to examine everything. We have hidden nothing. We have nothing to hide. We can't be bought, we can't be sold, we can't be scared, we can't be flattered into serving an ideal which is less than the perfection of the ascended master.

There is a reference in some one of the books to some experiences that Mr. Ballard had at Mount Shasta and they are real. I was not with him at the time. I was in Chicago. That was not the first contact had with Saint Germain. We had known Saint Germain before, but it was his first contact in the tangible body in this embodiment. Mr. Ballard was at Mount Shasta on some work of his own and he was looking over certain conditions in America.

(Testimony of J. H. Van Meter.)

His uncle was head of the mines in Arizona, the silver mine in Arizona. He was manager for his uncle's mine there, and when he got the time he wanted to go up in the Shasta district and see what the activity was there in which his uncle had been interested. I do not know much about his uncle's past, because I never met him. He has passed on.

Mr. Ballard and myself were appointed to spread the [20] teaching of Saint Germain and Donald later after he got out of school. Mr. Ballard healed thousands of people. That power passed on to me. I can show you any number of telegrams. I can show you the telegrams that come in and ask for help and their replies saying they received their help within 24 hours. That is not me. Please understand that. That is the great healing power of life. It is the same power that heals through a physician's hands.

Mr. Donald Ballard: There is nothing psychic or spiritualistic about this work in any way, shape or form.

Mrs. Ballard: And never will be. Our calls are life calling to the greater intelligence and power of life to release greater blessings and harmony and perfection of life to all other parts of life in the authority of the great creative work of life, "I Am," which every individual has to use to identify himself to his fellowman, because you cannot explain to others what your individual activities are unless you use the words "I," "I Am," or "My."

(Testimony of J. H. Van Meter.)

either in thought, feeling, spoken or written word.

"I Am" is the activity of life, and whatever follows the acknowledgment of that release of the energy of life qualifies that energy as it passes through the individual who makes that sound or tone into the atmospheric body. That is the activity that does the healing, not me personally, and we have to have the cooperation with the individual's own free will, of his own life strain in order to make that healing immediate and permanent.

Mr. Van Meter: This Saint Germain, Mrs. Ballard, does anyone else have the authority or the right to use that in spreading the teachings of this work——

Mrs. Ballard: Use what?

Mr. Van Meter: The name of Saint Germain.

Mrs. Ballard: No, he has not given it. He said we, he [21] and Jesus and other ascended masters, several of them, have said we would remain their directly appointed messenger until they come forth in the visible, tangible body. And they are coming. Just as well get used to that idea. They have to be called. That is what this education is for, because they have said to us, "Get the people to using this law and calling for the protection of the United States of America against all war, because if war comes into the United States of America, there will not be enough people left on this earth except to make one small city."

We feel we have the right to use every power of

(Testimony of J. H. Van Meter.)
life in this universe that is constructive to protect the lives of 130 million people and to protect the divine justice, freedom and perfection which the United States of America represents to mankind, to uphold sanity in the human race until the ascended masters come forth.

The great law of the universe never yet allowed destructive forces to destroy an entire humanity any more than the sun reverses in its orbit.

This law is real. We tell the truth, and because other individuals do not understand this law does not take it out of the universe nor make our words of truth untrue. We use the constructive activity in the Bible, but certainly not the destructive ones. We use nothing that is destructive from any channel, but we bless and acknowledge all that is true in every channel and we seek to help everyone understand this radiation to consume all discord towards our fellowman. (Tr. Vol. 3, p. 153.)

The violet flame consumes all bacteria. In consuming bacteria, you can take fruit juices and squeeze them in an ordinary atmosphere and they will get a record of bacteria, but you can take the same fruit juices and squeeze them under the violet ray and you kill all bacteria. You can take perfectly clean [22] fruit or milk that has no bacteria at all and inject bacteria in it and put it under that violet ray and it takes it out and kills it, and that is just physical and right here under your noses and anybody can go out and get all the evidence you want.

May I say something from a patriotic standpoint?

(Testimony of J. H. Van Meter.)

This great loved one known as Saint Germain, which the Masonic Order knows very well and acknowledges, designed and gave to the United States of America the Constitution. He has protected it in its original form. I mean, he gave it in its original form and has been its protection up to date. He assisted Washington and Lincoln. He has brought this work forth in the United States of America and is to still hold protection for it in its original intent to give mankind freedom and divine justice.

When we decree for divine justice, we asked always for employer, employee, the people and the Government. Surely that is fair play.

Certain colors are taboo, because certain vibratory frequencies are destructive and certain ones are constructive of the physical body. Every color has a certain frequency of vibration. You can place anything in complete darkness and life withdraws from the form, whether it be animal, plant or human. Red and black are highly destructive. We do not use animal food. Not because of any sentiment but because all animals know anywhere from 24 to 48 hours before they are going to be killed they are to be killed. They feel it. That charges the flesh, their meat—the flesh, I would rather put it that way—with a rate of vibration of fear.

The human being that puts that substance into the body has to handle that rate of vibration, and that is what has created a great deal of cancer in the last 75 years in the United States of America,

(Testimony of J. H. Van Meter.)

because wherever the meat eating is increased, [23] you always have an increase of cancer, increase of insanity, and increase of immorality. You take animals and feed them raw meat to make them vicious. Take them off of a meat diet and they become docile and harmonious. The law is self-explanatory and self-proven.

We do not use tobacco nor liquor, alcoholic beverages, because they dry up secretions in the brain and that prevents the clear, intelligent direction from each one's source of life of the mighty I Am presence from being clear in the intellect and allowing real intelligence and discrimination and the constructive impulses to hold control of the energy of the body. (Tr. Vol. 3, p. 158.)

Saint Germain is in a form that you can shake hands with him. You could shake hands with him just as you could with me if you have earned the right to stand in his presence. One who is not an I Am student could see him, but it is not the average condition because few of us have earned the right to stand in the presence of those great beings, but where it is necessary for some unusual protection to be given to you, or some service to America for her protection, he could become visible and tangible to any human being on this earth, and you could shake hands with him as you do with us.

The only difference between our being able to see with the physical sight the ordinary human being, body, and that body of the Ascended Master, is be-

(Testimony of J. H. Van Meter.)

'cause the average person's eyes do not record rates of vibration beyond certain frequencies, but even solid substances can be made invisible to your physical sight by raising its vibratory action. When an aeroplane propeller spins slowly you see its form, but you can spin it so rapidly that it becomes wholly invisible, but it is tangible and it is a solid substance. If you don't believe it, get in the way of it. [24]

Mr. Ely: Mr. Stickel, you are a messenger are you?

Mr. Stickel: Yes, an appointed messenger through the Ballards, of the Master Saint Germain.

Mr. Ely: Mrs. Mundy is a member of the staff and also a personal secretary for Mrs. Ballard.

Mr. Corporan: I am one of the leaders of the Minute Men of Saint Germain. There are two—also a group leader in this activity.

Mr. Calahan: Who is the other leader?

Mr. Corporon: Mr. Fred Dobbins. It is an organization of the male students getting together for special activity. It is wholly patriotic, for the benefit of arousing the men of America to protect America and become better citizens. They do not bear arms, march up and down, or wear a uniform.

Judge Armstrong: I am one of the oldest students, and have charge of the work in Oklahoma City and vicinity under the direction of the messengers and Mrs. Ballard.

Mrs. Ballard: May I say this, concerning the healing: through this application of the law, I have

(Testimony of J. H. Van Meter.)

been able to call into action to render these healings, and so can every student, every human being on earth can be taught how to make the same call so they too can release that healing power to assist themselves and their fellow human beings.

Mr. Callahan: Mrs. Ballard, just for my own information, you mean if you were sick you could just make this call and rid yourself of the trouble?

Mrs. Ballard: Yes, because mankind does not understand that a great deal of disease or so-called illness is but a focus of fear, and that is feeling, and when I can make the call to the Power of Light to sweep through the body and sweep out his fear, the body, by a natural process, readjusts itself in pursuance to the individual will. I don't say we are a million per cent perfect. [25] I don't claim that. We have never said that. If I have a headache or something like that, I sit very quietly and call on the Mighty I Am Presence to blaze the Light through my body.

I can do it for any human being on the face of the earth thousands of times. I can sit quietly and turn my attention to my Mighty I Am Presence. They can do it for themselves. I can sit quietly and turn my attention to my Mighty I Am Presence and ask it to pour its light through my body, and that violet-flame, and consume all my discordant feelings. That simply relaxes the nervous system to the point where the headache is gone. It doesn't make any difference whether it is indigestion or

headache or what. Every disease is dis-ease in the feeling, discord in the feeling. If you get the feeling still enough the discord goes. Any medical doctor can tell you that.

Mr. Donald Ballard: We have proven through our experiences and we have proven this as it is stated in the instruction of the Ascended Master Saint Germain that the human body sends out electrical impulses in the process of directing the processes of thought and feeling that are in a considerably higher frequency, but they are much akin to that which comes from an X-ray tube or radio transmitter, and that that rate of vibration sent has just as definite a fact in physical substance as does the X-ray. Now, you know that neither you nor I nor anyone else ever saw an X-ray or ever felt an X-ray, but the X-ray will burn the structure of the physical body just as surely as an open flame will. Well, all humanity through the centuries has failed to realize that discordant and destructive thought and feeling will destroy the tissue of a human body just as surely as the X-ray will. (Tr. Vol. 3, p. 172.)

However, the same law can be applied in that constructive thought and feeling will have actually set in motion [26] electrical impulses which control the structure of physical substance in a beneficial manner to the human body; and I might also say at this point that the Mighty I Am Presence, as we refer to it, is the individualized portion of the Supreme Intelligence of the Universe, call it God,

(Testimony of J. H. Van Meter.)

if you will, that breathes the truth of life into every human body, and it is that life which disconnects from a physical body a so-called death and which every scientist in the world has failed to fully understand or explain. It is the part of you that thinks thoughts and feels feelings. It is your intelligence, or, rather, I should say that the intelligence acting in the physical body is a part of that life which perhaps will make a little more clear our stand that by the use of Decrees, which simply set certain rates of vibration into action, that we can and do control certain actions in physical substance, which is the reason we call this activity of law of life itself instead of a religion or any such similar name, and that is why it should be divorced wholly from anything that humanity has thought of in the past as the supernatural, but it is merely an application of the very Laws that the scientific world is beginning to discover today, carried out to their fullest possibility of application as the scientific world will inevitably do in a few years to come, because already at—I believe it is—Cal Tech they are starting to be able to measure the electrical impulses set up in the processes of thought and feeling, and some day they will prove everything that we have set forth as the Law of Life. I trust that will give you a little more concrete understanding of just the principle from which we work.

The foregoing concluded the playing of the records and the witness, Mr. Van Meter, was thereupon cross-examined by Mr. Cannon as follows:

(Testimony of J. H. Van Meter.)

Cross Examination

The Witness: When the statement was made at the [27] conference that there were thousands of letters unsolicited from people who had been healed or benefit by reasons of this activity, I did not ask to see them. All that was said concerning their availability is on the record there. The reason I didn't ask for such records or telegrams is that it is not customary in our investigations to ask for such information. I have never asked for any testimonials. I did not check up on the report made by the California Bureau of Investigation of the Minute Men organization mentioned by Mr. Corporan. That is all that I recall that they mentioned that we could have checked up on. We knew Nash and Donnelly were their attorneys. (Tr. Vol. 3, p. 183.)

I attempted to check up to see if Mr. Ballard was at Mount Shasta on the date referred to in the "Unveiled Mysteries." I did this after July 15th. I went to Mount Shasta and interviewed several people in the town. I did not make any investigation of the statements made by Mrs. Ballard between July 15, 1940 and July 24, 1940. I know that the indictment was returned on the 24th of July. The investigation was continued from July 15 right on to July 24. I can't say whether we did or didn't check up on the things which they told us in the interview of July 15, 1940 prior to my appearance before the Grand Jury. I wouldn't say that my in-

(Testimony of J. H. Van Meter.)

vestigation was complete as far as the indictment was concerned before we went to the Biltmore Hotel. [28]

HARRY F. SIEBER

was called as a witness in behalf of the Government and testified as follows:

I reside at Ardmore, Pennsylvania. In 1934, I lived in the country between Lansdale and North Wales, Pennsylvania. I met Mr. and Mrs. Ballard and Donald Ballard personally in July of 1934 at their home in Chicago. I had had communications with Mr. Ballard prior to that time, which I received at my home between Lansdale and North Wales, Pennsylvania. My attention had been called to, and I had read, the book "Unveiled Mysteries" prior to the time that I met the Ballards. I corresponded with them after reading the book. I wrote to them at Chicago and ultimately became a manager or one who handles some of the first meetings conducted by the Ballards.

Prior to the time I read the book, I had worked as a trained accountant. When I met them in July 1934, I had conversations with Mr. and Mrs. Ballard in Chicago and at that time spent ten days in their home with nine other people, attending the first ten-day class. The subject of the classes was the Saint Germain Discourses. The book, "Unveiled Mysteries," had been published at that time.

(Testimony of Harry F. Sieber.)

After that, I returned home and stayed there for a while and started a correspondence with the Ballards. I wrote letters to them but did not retain copies as they were all in longhand. I received correspondence from one or the other of the Ballards after my visit of July 1934. It came from Chicago until October when they came East, then it came from wherever they were. I was living in Lansdale. The letter dated September 6, 1934 (later introduced as Government's Exhibit 68) bore the date November 6, 1934. I received the letter in September and it was evidently misdated and I changed it to correct the date.

The signature on the letter was stipulated to as the signature of Mr. Ballard. I received Government's Exhibit 68 through the United States Mail.

[29]

Exception No. 4.

Mr. Neukom: I would like to offer this (Government's Exhibit 68) in evidence, your Honor.

Mr. Cannon: If the Court please, at this time we object on the ground that no foundation has been laid, not by way of the signature, but on the question going to the materiality and the substance of the charge here, Mr. Ballard not being a defendant on trial, the matter having been written by him and, unless and until the Government has first established, by competent evidence, the existence of a conspiracy, or offered substantial evidence in the

(Testimony of Harry F. Sieber.)

form in which the jury could find a conspiracy existing, the writing of any such letter by a person not on trial cannot be allowed in evidence against any of the defendants.

Particularly is that so where you have a letter of this character and kind and some of the others of which we have knowledge which will be offered through this witness, where they are using the letters, or the evidence itself, as a basis for establishing conspiracy.

That is the point they are using it for. They are not attempting to use this letter as a declaration against some of these other defendants, but they are using the letter itself for the purpose of putting the subject before this jury or before the Court upon which the jury might declare that there is a conspiracy existing and therefore make the declarations admissible.

The Witness: I was ultimately engaged as business manager by the Ballards in October, November, December and half of January 1934 and 1935. I had conferences during that period upon many occasions with Mr. and Mrs. Ballard.

Thereupon, the objection last above noted was ruled upon by the Court.

The Court: I think we have sufficient testimony here in the record, Mr. Cannon, where Mrs. Ballard testified, when [30] she was asked the question, "I am trying to get at this the best way I can," asked by Mr. Callahan, "It is a little unusual. Just who

(Testimony of Harry F. Sieber.)

gave the dictations?" and Mrs. Ballard answered, "The ascended master Saint Germain dictated these to Mr. Ballard in my presence in Chicago."

I will overrule the objection. Exception.

GOVERNMENT'S EXHIBIT 68

was thereupon admitted in evidence. Said exhibit reads as follows:

"Chicago, Ill.
"Sept. 6, 1934

"Mr. Harry Sieber
"Beloved Precious Brother:

"I am sitting here in the living looking at your Blessed Angel Deva as I write. This is the first evening we have had a chance to visit alone, Mrs. Ballard, your love and I, since the arrival of the class here.

"We are working so earnestly that the Mighty 'I AM' Presence open the way and bring in the abundant supply of money to put out at least a Two Thousand edition of the 'Magic Presence' and give you complete charge of the distribution of all the books. It must and does come about now.

"*. * *

"GUY W. BALLARD AND FAMILY."

[31]

The Witness: I received the letter dated September 16, 1934, addressed to me, through the mail.

(Testimony of Harry F. Sieber.)

I had been corresponding with the Ballards at that time.

Exception No. 5.

We offer in evidence this three-page letter (Government's Exhibit 69) as Government's exhibit next in order.

Mr. Cannon: To which we object on the grounds heretofore stated as to the admissibility of the last document—and I want to include also in this objection that it is immaterial and has no bearing upon the issue in the case, and no proper foundation has been laid other than the signature as to its introduction.

The Court: I will overrule the objection and give an exception to counsel.

Thereupon the document was introduced as

GOVERNMENT'S EXHIBIT 69.

Said exhibit reads as follows:

"1620 East 84th Place
"Chicago, Ill.
"September 16, 1934

"Mr. and Mrs. Harry F. Sieber
"P.O. Box 246
"Lansdale, Pa.

"To our Very Beloved Friends, the Siebers.
"Beloved Children of the 'Light':

"Your letter, so wonderful, is at hand and we were on the ray last night concerning it. Saint Germain dictated the following in answer

(Testimony of Harry F. Sieber.)

"'My dear Mr. and Mrs. Sieber and family:'

* * * * * *

"'I like the idea of the class waork very much and I would suggest confining it to about fifty people unless there were places where it is possible to have more and the larger groups could be harmonized. [32]

'You would always be free to let the individuals know that love gifts could be accepted but that the messengers themselves may not even suggest it. It would be perfectly right for each group to understand that they were to take care of the expense of the Messengers, and I would further suggest that the harp be used before each class.

'Both yourselves and these good Messengers, being entirely unselfish, I am sure you will be able to arrange the financial division entirely satisfactorily.'

* * * * * *

'Not yet being a Messenger, as these two are, it is entirely within your province to offer suggestions which these Messengers may not do. So it seems to me you could cooperate in a wonderful manner that would bless you all in every way, and it gives me great joy to see your love and willingness to cooperate in this service.'

* * * * * *

SAINT GERMAIN"

(Testimony of Harry F. Sieber.)

'It would seem from what he says here that what he had hoped to accomplish is not now in the picture. If you feel that you should work for the distribution of the books, you should certainly have the same discount that we give to dealers which is 30 per cent and so far as the love gifts are concerned, we could split fifty. Does that seem fair to you? Your family must be taken care of and at present this is a way by which we could get the knowledge of the 'I Am' before as many people as possible in the shortest time and that is important for America now.

'We are still working to bring forth the money for publishing 'The Magic Presence' and the next [33] edition of 'Unveiled Mysteries.' It will come from the right channel which the 'I Am Presence' knows.

'We began a 10 days class in Racine today and Saint Germain thinks it might be well to try out two classes in October and two in November in the East, if you care to arrange them. He thinks it best to return to Chicago for the first five or six days of each month to do the work with the large class here which is concerned with the national activity of blessing our country. At least this is his desire until after the holidays. In bringing the harp for the class work there will be no extra expense as we can check it on two tickets.

(Testimony of Harry F. Sieber.)

'If this meets with your approval and seems practical to you we shall not arrange any further classes in Chicago until later. Please let us know how you feel about these suggestions and know that Saint Germain and we thank you sincerely for your wonderful love and spirit of cooperation. We want to do all in our power to work as efficiently and joyously as possible for the mutual good of all concerned.

'We enfold you and your blessed family in our deepest love and blessings and all the good the "MIGHTY I AM PRESENCE" holds and we know only that "MIGHTY LIGHT" does everything through us all to manifest the Fulness of Its Perfection and Plan.

'Lovingly in the Presence and Service of the Might I am,

G. W. BALLARD

* * * * * *"

[34]

The Witness: I saw Mrs. Ballard write her signature occasionally during the latter part of 1934. The signature on the letter dated September 27, 1934 (Government's Exhibit 70) looks like Mrs. Ballard's. I received the letter through the mail. The notation, "Ans. 9/29/34", means I answered it on the 29th.

(Testimony of Harry F. Sieber.)

Exception No. 6.

Mr. Neukom: I offer in evidence the two-page letter of September 27, 1934 (Government's Exhibit 70).

Mr. Cannon: We have the same objection as to the last exhibit.

The Court: Overruled. (Exception.)

Thereupon the document was received in evidence as

GOVERNMENT'S EXHIBIT 70.

Said document reads as follows:

"1620 East 84th Place
Chicago, Ill.
September 27, 1934

"To Our Blessed Ones of the 'Light', the Siebers:

"Your letter of the 19th received and we have been busy day and night with a class in Racine where there was much healing to do and very little time to sleep otherwise we would have answered immediately if not sooner.

"His Blessedness—Saint Germain—has left us free to do certain things in regard to the business but he is head of it, as we no longer possess anything so far as our personalities are concerned. We are however, his acting agents and, as he has given his consent to have the whole activity put out under the name of the Saint Germain Press, we feel doubly anxious that everything about the whole sales part of it

(Testimony of Harry F. Sieber.)

be as perfect and like the Ascended Masters' way of life as we can make it under the world con- [35] ditions with which we have to work at the time.

"Now is reagrd to the questions you ask; What you say in regard to the larger percentage on the next edition of 'UNVEILED MYSTERIES' is what we have been trying to bring about; and it should be possible for the printing cost is much less. This is what we are working for and I am sure will come about for the dealers should have a discount and you also.

"In regard to the way in which you wish to handle them: The Saint Germain Press is not incorporated. We feel your wokr there should be carried on under the same name as we operate here, and there is to be considerable concerning foreign rights as well. They should all be under His Name.

"It seems imperative to keep the activity that has started here continuing, and if you can relieve us of all details of the distributing through your channel, it would help us and simplify matters for us all. We could ship you the books direct and you could remit to us once a month whatever was our share.

"Receipts should be budgeted for both further editions of both books and future publications as there are many more books which he wishes to put on the market through this ac-

(Testimony of Harry F. Sieber.)

tivity. You should have access to the letters and comments and our files here are full of them and you are welcome to know all that has occurred. There are many things we wish to work out with you when we can see you for we wish to form a plan of operating which is the perfect permanent activity for all that is to follow. We have one of our students here who is thoroughly competent and is [36] an acting attorney, practicing here. He is a man of very great honor and integrity and we know you will love him as we do for he is truly one of God's own Sons. In regard to the classes: You are right. Exprenses should be taken out for all connected and the balance divided fifty fifty.

* * * * * * * * * *

"Our idea in reagrd to each class is that we hold them for only ten days but read two discourses each day. This gives them a chance to receive twenty discourses and if they are read directly through, the questions can come at the end. The afternoon classes could begin at one and finish at four o'clock and the evening at whatever time would accommodate those who hold positions. * * *

"THE BALLARDS" [37]

The Witness: After receiving Government's Exhibit 68 wherein Mr. Ballard states we could split fifty-fifty, I had written saying that there were two

(Testimony of Harry F. Sieber.)

of them traveling and only one of me and the expenses should be taken out first and what was left divided fifty-fifty. Then I received the letter dated September 27, 1934 where they stated that I was right with regard to the expenses.

I received the letter dated September 30, 1934 (Government's Exhibit 71) through the United States mail. Thereupon

GOVERNMENT'S EXHIBIT 71

was offered and received in evidence. Said exhibit, signed "The Ballards", reads in part as follows:

"* * * In regard to the enclosed application blank, we are making the suggested changes and think it a good idea and basis to work on. As to where classes are to be held, you are the best judge of that and we are ready to do whatever is the most efficient way to co-operate and move the activity as rapidly and powerfully as is the part of wisdom to make it permanent.

"We are knowing the 'Might I Am Presence' guides you unerringly in everything and opens the way before you by the power of Divine Love and the Ascended Master Friends are raised up everywhere to give you all possible assistance. This is an Invincible, All-powerful 'Presence' that moves before you with a scepter of dominion that clears the way and is the 'LIGHT OF GOD THAT NEVER FAILS'.

(Testimony of Harry F. Sieber.)

"Go forward in the *Full Presence and Power of the Mighty I Am and the Ascended Masters and showers of blessings and victories supreme* shall pour out to you in the service of the 'Light.'

The lists and letters you ask for we shall get together and perhaps you can come back to Chicago [38] with us in November and we can go over all these things together. We want to give you all the help we can.

There are so many asking for the teaching in the letters we have received about 'Unveiled Mysteries' from all parts of the country that you should know who and where they are that they may have the opportunity of receiving the instruction. * * *"

The Ballards first came to Philadelphia in October, 1934. Prior to that time, I had had correspondence with them endeavoring to engage a hall and arrange for meetings. I wrote to them. Mr. and Mrs. Ballard came to Philadelphia on approximately the 8th of October and conducted a class at St. James Hotel, 13th and Walnut Streets. They had a lecture room, the rental of which I had arranged prior to that time. The class was conducted ten days. I took no active part in any of the lectures. I was chiefly the business manager. I made all the business arrangements. When they first came to Philadelphia I had no conferences with Mrs. Bal-

(Testimony of Harry F. Sieber.)

lard by herself. My conferences were always with Mr. and Mrs. Ballard at any time. I would discuss with them with respect to where future meetings were to be held after the Philadelphia class terminated. Rather than explain where the meetings would be next held, I asked their wishes in that matter—where they wanted to go. They stated the next place was New York.

Exception No. 7.

Thereupon, with the permission of the Court, counsel made the following objection to Exhibit 71 as if it had been made when the exhibit was offered.

Mr. Cannon: If the Court please, just for the sake of the record—I failed to do it when the letter was received in evidence—may it appear, for the purpose of my motion that I [39] object to the last exhibit that was received in evidence? I overlooked it. I object on the ground of its materiality and competency, but not so far as the signature itself is concerned.

The Court: It is understood the objection is made when the objection—when the exhibit was offered.

Mr. Cannon: And exception allowed?

The Court: Exception allowed.

The Witness: The next class was held in New York for ten days. Mr. and Mrs. Ballard appeared as teachers and lecturers. The next class was held in Boston, then in Philadelphia, and they were all approximately ten days in duration. The classes

(Testimony of Harry F. Sieber.)

started with about 30 in the afternoon and about 100 in the evening. Then they increased as the lectures and lessons progressed. I was present at approximately all the meetings that I have mentioned. After the return class at Philadelphia, the next class was in New York. Two classes were held there and from there we went to Washington, D. C., about January 3 to 13, 1935. At Washington, on January 13, 1935, I was struck by an automobile and rendered unconscious and was hospitalized. (Tr. Vol. 3, p. 227.)

Saint Germain was frequently mentioned during the classes by both Mr. and Mrs. Ballard. The lectures, in a general way, dealt with the I Am subject matter.

Government's Exhibit 72 was not received in the mail but was handed to me.

Exception No. 8.

Whereupon, said exhibit was offered in evidence.

Mr. Cannon: We object to it, if the Court please. We do not object to the foundation, but we do object to the materiality of it, on the ground that it has no bearing on the issues in this case. And we also add the objection that I made heretofore, that at this stage of the proceedings it is not binding upon the other defendants. [40]

The Court: Overruled, and an exception allowed the defense.

(Testimony of Harry F. Sieber.)

Thereupon said letter was received in evidence as

GOVERNMENT'S EXHIBIT 72

Said letter is dated October 26, 1934, and is addressed to Harry F. Sieber, and reads as follows:

"I will ever expand harmoniously through the Mighty Radiance of the Ascended Masters. I would suggest, taking it from our start in Philadelphia, that you reach to the following centers of focus: New York, Boston, Toledo, Cleveland, Florida, Texas, Los Angeles, Seattle, Minneapolis, Washington, D. C., whenever it is convenient to fit it in.

"Do not repeat except in Philadelphia until after you have reached these points. * * *

"I do think it is important for you to change the location of your home as soon as convenient where you can have a place free from vermin and where you can maintain an even heat. I feel sure you will find the health of your family uninterrupted.

"If you can have a place where you have an extra room for the Messengers whenever they are in reach of your home, I think it will be quite sufficient for the present and I am sure the Messengers will assist with the rent until you have ample within your own hands to govern as you wish.

"Regarding the activity of the books, I think your Home and Philadelphia should be the east-

(Testimony of Harry F. Sieber.)

ern point of distribution and the one maintained in Chicago also. In the books that are to follow, I would suggest that you circularize all the people of the classes that you will have reached and put your stamp upon all the announcements that you send [41] out and keep a record as near as you can of those who have bought books through your instrumentality. This will work into a clearness of activity in which I feel sure you will not be deprived of any percentage due you and as these beloved Messengers have no selfishness within them, I am sure you will have no dissatisfaction in coming to a happy regulation of it.

"I think it wiser to have all printing of the books done at Donnelley's in Chicago, you to keep an abundant supply of books on hand at all times.

"It is the wish of Arcturus that a focus for the activity of the books be maintained in Chicago."* * *

SAINT GERMAIN" [42]

Thereupon it was stipulated that Government's Exhibit 73 was mailed to the witness and that the signature "George" was the signature of Mr. Ballard and was in his handwriting.

The Witness: Mr. Ballard was oftentimes called "George" and Godfre Ray King. The words on Ex-

(Testimony of Harry F. Sieber.)

hibit 73 "Ans 12/21/34" are my writing and indicate the date on which I answered the letter.

Exception No. 9.

GOVERNMENT'S EXHIBIT 73

was thereupon offered in evidence.

The Court: Subject to the same objection, it will be admitted; exception allowed the defendants.

Said exhibit reads as follows:

December 18, 1934

"My Dear Harry:

"Your letter of the 17th received. You know, Harry, many people want things they cannot have under the old method.

"We cannot give anyone 50% and have anything left for ourselves, and furthermore, we are not going to do it. Brentano's one of the largest book sellers in America have been selling 'Unveiled Mysteries' almost a year for 30% discount.

"Saint Germain said in the beginning that 30 and 33 1/3 was the limit to be given anyone. Harry, our greatest opening for book sales is through the class work. *In this way it gives you the thirty percent where it should go.*

"For us to give 50%, pay for the publishing, and a percentage to you beside would leave us without a dime. We do not forget that we have two thousand dollars in obligations to pay upon these books already.

(Testimony of Harry F. Sieber.)

"Saint Germain said that he wanted us to have $1.00 per copy clear on all books as his gift to us. [43]

"Harry, I am the channel that has made all this possible and I do not intend to be swallowed up by this terrible commercial thing that has always forgotten the originator of a thing from which others have received millions.

"Our experience here with the Psychic Research Society and the Harmony Book Shop shows how we would be treated by a great many dealers. Each one of our students will easily sells five more books by mentioning it. That is how our work has spread so far and it will continue to grow more and more rapidly, for the 'I Am Presence' is its success.

"If the dealer does not happen to believe the Truth contained in this book, he will not push it. Therefore, our dependable opening is through the class work. The demand for the class work in Chicago is tremendous and already the students there are teaching classes as full as the accommodations will permit.

"If we will all apply the 'Law of the Mighty I Am Presence', we shall find all channels ready to bless us. We are working from the ASCENDED MASTER ACTIVITY and we must not fall under the old commercial heel.

"We want to spread this work more than anyone but it is not necessary to make our-

(Testimony of Harry F. Sieber.)

selves financially helpless in order to do so. Saint Germain said in the beginning that if we would set our decree and stick to it to pay 30 and 33-1/3% and back it up with the 'I Am' all would come to it who would be of help.

"Harry, you are not going to be cut out of this as long as you wish to stay in it. We deeply appreciate all you are doing and bless you for it but we must all have more trust in the 'I Am'. We have put our full trust in [44] the 'I Am' and you. In this way you cannot be deprived of anything that belongs to you.

"So far as orders coming from your people to Chicago, we shall keep as close a check there as possible and make a check for thirty percent out to you for those sales. Under the circumstances there is no other way to handle it.

"We did three years of the hardest work two people ever put in as the first step in establishing this work. We fought our way through the most hellish human viciousness you ever saw—and won our victory by the 'Mighty I Am Presence'.

"Yes! The 'I AM' and the ASCENDED MASTERS with your and our work will make Washington one of the finest classes; for the 'I AM is the power that makes all class work successful.

"* * *

"Lovingly,

"GEORGE." [45]

(Testimony of Harry F. Sieber.)

The foundation was waived as to Government's Exhibit 74 by stipulation, and that the letter was Mrs. Ballard's, Mr. Ballard's, or Don's.

The Witness: The words "12/27/34" are my handwriting and indicate that I answered the letter.

Exception No. 10.

Government's Exhibit 74 was thereupon offered in evidence.

The Court: Subject to the same objection and exception allowed to the defendants. Was this received through the mail?

The Witness: Yes.

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 74

and reads as follows:

"Breslin Hotel
"New York City, N. Y.
"December 23, 1934

"Beloved Harry
My dear Pal:

"Your blessed letter just received. Just be happy. No misunderstanding shall come in for 'I Am the Presence' always on guard forever preventing any such thing.

* * * * * * *

"You are right. There must be a definite policy to act under in regard to the books. We

(Testimony of Harry F. Sieber.)

do want to get the books out as soon as possible but not at a complete financial sacrifice. Humanity has gone this far and I doubt not will stick around a while longer.

"Saint Germain said, we were to have at least three distributing points, Chicago, Philadelphia, and the western coast but not under arrangements that would make us unable to do the things he wished to do through this channel. [46]

"Stand by the agreements that have already been made but hold all others within the 30 and 33⅓% discounts. We shall ask the 'Mighty I am Presence' to draw all attention to the channels who are willing to do this and as It is the only controlling 'Presence' and Power in this work everything must yield perfection to everyone in it so only satisfaction, Love, and cooperation can be the result to all.

"* * *

"We expect Don and Burt tonight. We have called for showers and showers of blessings upon you all this Christmas and these are only the stepping stones to the glories that are to come to you. Marvelous work is being done on Lotus' teeth for which we are deeply grateful. Love and kisses and blessings untold upon you all forever.

"In all the Love of the 'I AM Presence',

"GEORGE, LOTUS & DON."

[47]

(Testimony of Harry F. Sieber.)

The Witness: I have known Mrs. Ballard to be called by a name besides "Edna". We often called her Lutus, but by no other name that I recall. I received Government's Exhibit 75 for identification through the mail. The words "No. ans. Answered in person" are my handwriting. I received it while in the East from Chicago.

It was stipulated that the letters marked Exhibit 76 bear the signature of Louise Majerus, one of the defendants; that they were received through the mail from Chicago by the witness.

Exception No. 11

Mr. Cannon: This objection, of course, is on the ground they are immaterial and irrelevant and have no bearing on any issue in the case, and we also add to that objection the one that the exhibit is not admissible against any person at all in this case except Louise Majerus, because there is no evidence at this time with respect to the then existence of any conspiracy, or anything upon which the Court could find or the Court could ask the jury to find any conspiracy.

Mr. Neukom: We are willing to abide by that proposition, your Honor, that they be admitted only as to the defendant Louise Majerus and not be binding upon any other defendants. They are offered for that limited purpose only. In fact, I intended to offer them for that limited purpose.

(Testimony of Harry F. Sieber.)

The Court: So understood. The other objection of counsel made with respect to the other exhibits, you want applied to this exhibit, the general objection?

Mr. Cannon: Yes, in addition to the one I just made.

The Court: It will be so understood. The objection will be overruled, exception allowed, and the exhibit marked 76, which consists of the letters that were designated as to date and on the stationery of the Saint Germain Press by Mr. Cannon are admitted only against the defendant Majerus.

[48]

I never personally saw Saint Germain during the time I was with the activity. I kept a careful account of expenses and receipts and disbursements of the various classes that I managed at which the Ballards appeared and submitted them to Mr. and Mrs. Ballard from time to time at the close of the class. A division was always made of the proceeds from the classes. The procedure followed in all instances was the same as to the five or six classes that I was manager of. The expenses were deducted and the balance was divided 50-50 in accordance with the arrangement. I received 50% after all expenses that were submitted were deducted.

At that time the only book that was in publication form was "Unveiled Mysteries". I received 30% from the sale of the books. When I first started out on the tour I had a discussion with Mr. Ballard.

(Testimony of Harry F. Sieber.)

(Tr. Vol. 3, p. 248.) The only thing I recall is a report from Mr. Ballard as to the number of books on hand while I was manager. The first discussion was held in Chicago at the first ten day class. He told me a thousand copies had been published of the first edition. I had a discussion with Mr. or Mrs. Ballard during the classes regarding supplies. As the books were sold the question of more supplies came up. It was while I was with them. It was chiefly with Mr. Ballard; usually both were present. I can't say they were always both present. I had a conversation in the presence of Mrs. Ballard with Mr. Ballard pertaining to the issuance of the second publication of the "Unveiled Mysteries". I had a conversation with Mr. or Mrs. Ballard regarding the cost per volume of the first publication. It would be difficult to specify where it was. It occurred during the tour and before I was injured in January, 1935 and during October or November. I recall the conversation generally.

Exception No. 12.

Mr. Neukom: Do you recall what sum was stated to you as the cost per volume of the initial or first publication of [49] "Unveiled Mysteries" by one or the other of the Ballards?

Mr. Cannon: That is objected to on the ground no foundation laid. Also, if the conversation was with Mr. Ballard, it is heresay against these other defendants, and on the further ground that the matter of the cost of these books or the prices

(Testimony of Harry F. Sieber.)

at which they were sold is wholly and entirely immaterial on the ground that the element of profit or loss in the publication or sale of these books is no element to be considered in a mail fraud case.

The Court: Objection overruled.

Mr. Cannon: Exception.

May we at this time—I think it is a valid objection—may we without specifying each time—have a running objection to any and all testimony offered with respect to the cost of printing of these books and pamphlets and cost of the distribution of them or sale as not being within the issues and not being the proper subject matter?

Mr. Neukom: We have no objection to that theory.

The Court: Yes, it may be so understood.

The court has already ruled that, in his opinion—the Court's opinion—the purpose of this is to show motive, good faith, and intent; and limited to that it is permissible to permit this evidence before the jury.

It is further understood that whenever these questions are asked and answers given, that the same objection of Mr. Cannon as now made before the Court, without repeating, are made to all such questions and all such answers, and exception allowed to the defendants, and each of them. (Tr. Vol. 3, pp. 255, 256.)

The Witness: The amount stated as the cost per volume of the first publication of "Unveiled Mysteries" was something over a dollar. I haven't

(Testimony of Harry F. Sieber.)

a definite recollection how much over a dollar. I had a conversation with Mr. and Mrs. Ballard during [50] the course of the tour concerning the second publication of "Unveiled Mysteries". There was more than one of them. You could hardly call them conferences. It was just a question of getting the second edition published and out in our hands. They were informal talks. I always discussed business matters with Mr. and Mrs. Ballard before acting. I had a conversation as to the cost per volume of the second edition of "Unveiled Mysteries" in Boston in 1934. It was said that the cost of the second edition would be 26½ cents per volume and that 5000 would be ordered. At that time, that edition of "Unveiled Mysteries" was being sold to the students for $2.50. I thereafter obtained the funds from which to order the second edition of "Unveiled Mysteries". I raised money for 5000 copies. I borrowed the money. As near as I can recall, I raised $900 from two sources. I think it was the major portion of the cost of the second edition.

The "Magic Presence" was never in publication form while I was with the Ballards. I had conversations with Mrs. Ballard in the presence of Mr. Ballard with respect to publication of that book in connection with prepublication subscriptions. A presubscription was offered for $2.75 for the trade edition, and $5.00 for the edition autographed by Mr. Ballard. The $5.00 edition was to be of better binding. In our conversations concerning these pre-

(Testimony of Harry F. Sieber.)

publication subscriptions, we discussed simply the means of getting the necessary money to send the manuscript to the printers and getting it under publication.

Mr. Neukom: Now I show you a statement dated November 30, 1934. (Government's Exhibit 77.)

Mr. Cannon: No further identification is required.

The Witness: I delivered the original of Government's Exhibit 77 to Mr. Ballard.

Exception No. 13.

Mr. Neukom: We will offer the instrument. [51]

Mr. Cannon: We have the same running objection to this, on the ground that it is immaterial and has no bearing on the issues in the case, and is hearsay as against the other defendants.

Mr. Neukom: This is in your handwriting, this last exhibit?

The Witness: It is.

The Court: Same rule as I made yesterday and exception allowed. The exhibit will be received in evidence.

The Witness: The cash statement, 11/30/34, (Exhibit 77), refers to the second class at Philadelphia. The $1025.25 was exclusive of the sale of books. The statement relates the expenses as $286.51. They were deducted from the $1025.25, leaving $738.74, and in accordance with the statement, "G.

(Testimony of Harry F. Sieber.).

W. Ballard, $369.37; H. F. Sieber, the same amount", I delivered the $369.37 to Mr. Ballard.

I prepared statements of a similar nature concerning the four or five other classes that were conducted during the period I was with Mr. and Mrs. Ballard. I turned the originals over to Mr. Ballard shortly after the close of each class, but I do not know where they are now. It is my recollection that the amounts ran approximately the same, around a thousand dollars, a little more or less. The expenses were approximately the same also. At the close of each class I turned over to Mr. Ballard one-half of the receipts, less expenses and retained one-half for myself. There were certain other moneys from the sale of books. (Tr. Vol. 4, p. 274.)

In the first half of December, 1934, at the Hotel Breslin while in New York, during the second class in that city, Mrs. Ballard made a remark concerning a manuscript that she was working on. Mr. and Mrs. Ballard were present. The only thing concerning the conversation I recall is, "We must get the manuscript [52] out." She referred to the "Magic Presence". I have seen her working at the typewriter. I never stood over her and watched what she was doing.

Exception No. 14.

Government's Exhibits 78, 79, 80, 81, 82, 83 and 84 were offered in evidence and it was stipulated that they were received by the witness at or about

(Testimony of Harry F. Sieber.)

the dates they bear, either from Mr. or Mrs. Ballard as the signatures assume to indicate.

Mr. Cannon: And, of course, my running objection goes to all or these and an exception allowed.

The Court: So understood and the same exception allowed to all defendants.

GOVERNMENT'S EXHIBIT 78

reads as follows:

"Feb. 7-35

"Beloved Harry:—

"I wired you last night asking you to recall all authority given to Wilber Smith and give the authority to Betty Mundy to hold and handle the books here and be head of the groups here. If it had not been for Miss Mundy we would not have had any class here.

"One of the prominent students told us many have not come to the class because Smith was there. He is ten times worse than Alvin. Nothing but confusion and vicious with it.

"Already 6 books are out without payment, I will not let any more books get in his hands.

"The hall he got here isn't fit for a dog fight let alone an Ascended Master Activity.

"When a Masonic hall could have been had at little or no expense.

* * * * *

"THE BALLARDS

"Per GEORGE." [53]

(Testimony of Harry F. Sieber.)

GOVERNMENT'S EXHIBIT 79,

a letter dated February 12, 1935, reads as follows:

"My very dear Harry:

"Your blessed letter of the 8th inst. re-received. You dear child, cast from your mind forever any question of discontinuing our association.

"You are laboring under a great mistaken idea wherever it came from. Max Gysi has been wonderful beyond words. To step in your place on a moment's notice as he did and do the work and give the assistance he has given and his willingness to do it, is a miracle almost superhuman. He has never asked for a dime for his service, but I have insisted he take something which has not been much. I assure you he is only with us because you could not be, and sought none of it himself.

* * * *

"Now, for Smith. To start with there are not two sides to my story. I tell you exactly what occurred. The second day he tried to chase Mrs. Mundy out, whom we had asked to assist Max. He resisted and disliked Max from the beginning. Then he made written demand on me for 30% commission on all books sold, 90% of which was sold by Mrs. Mundy to her friends. But for Mrs. Mundy we would not have had a class at all. The hall was over a market and

(Testimony of Harry F. Sieber.)

not fit for a dog fight until Mrs. Mundy worked and cleaned it up, Smith helping some. She took her rugs, drapes, chairs for us, vases for flowers and made it possible to use. We were never in such a place and I guarantee never will be again.

"Then the fifth evening he stood up in class and said Saint Germain had come to him that morning. I knew [54] instantly some sinister motive was back of it. I did not expose him in class. Saint Germain instructed that Mrs. Mundy was to have full charge of the books and be head of the group after class. This was announced by Max the sixth day at our request. Then Smith showed his fangs. Just an hour before the afternoon class the last day he sent me a written note that he had closed the hall, because $25.00 was still due on the rent. After he had told us the rent was $50.00, and you had sent him $25.00 and we paid him $25.00 the first day of class here. He called and got his letters from Mrs. Mundy which contained the receipts, before he started any of this. The owner of the hall was in with him for when we went to have the hall unlocked he said for $25.00 he would have the hall unlocked in five minutes. Then he told us the rent was $50.00 and showed us copies of the receipts that $50.00 had already been paid. We had no time to fight the situation as people were be-

(Testimony of Harry F. Sieber.)

ginning to come, so paid $25.00 more, making $75.00 for a hall not worth $25.00, and we haven't seen him since.

"Smith told a man, one of the students to whom he owed money, that as soon as you got here he would have $200.00 cash. These are the exact facts in the case. He also secretly made copies of Saint Germain's colored picture, the chart and the other colored one Mr. Brooks sent us here, and was offering them for sale. I announced to the classes no one had been given permission to make copies of the picture to sell. He is a fiend, the most vicious I have met and don't anybody try to tell *he* he is not. On the door in typewriting, read, "Closed by Saint Germain's order. Showing he was trying to assume my authority with Saint Germain. That is Insanity. [55]

"Max has full and complete report of each class. The gifts were much less in these two classes than in the others. In both classes the effort was made to break up the class. Smith never came and talked to me once about anything of the business.

* * *

"When we go to England we need Max Gysi there and I think we could get him to go to England in advance and make the arrangements for he is well known in Europe and England and has Key people everywhere there.

"The change of dates and arrangements here

(Testimony of Harry F. Sieber.)

was made by us, that we could have time to finish the Magic Presence before Pass-a-Grille class, which we are doing now and expect to have it off to Chicago by Saturday of this week. Then after Pass-a-Grille class we will get the 'I AM' discourses ready for the printer before going on to Dallas. The Dallas date is the same. But we extended the time of class in Los Angeles three days I think it was to give us more time to get there, driving through in the heat and little time to rest after arrival. We have been driving ourselves mighty hard for three years. Mrs. Ballard caught cold the last two days in Washington, but in spite of disturbance in her throat has read for every class, a super-human victory. At no time was she able to be still long enough to entirely get rid of it. Now she is almost entirely free. Thanks to the Mighty 'I AM' Presence.

"Sincerest love and blessing to you all,

"G. W. BALLARD."

GOVERNMENT'S EXHIBIT 80

reads as follows:

"El Verano Hotel,
"West Palm Beach, Fla., [56]
"Feb. 14, 1935.

"My dear Harry:

"* * *

"First—your (brief case) is here with everything intact just as you left it. Your metal case

(Testimony of Harry F. Sieber.)

and very small case with rubber stamp, small fiber case with printed matter, etc. I don't know what we would have done without your brief case and the information contained. I was not familiar with what had been done.

"I would suggest you go ahead and make all arrangements for Los Angeles class as you had started it. Then if you can meet us there, fine, O. K. but I do not think you should try to go by crowded auto, Dallas to Los Angeles. If it does not tire you too much, go ahead and complete arrangements for the Dallas class. In both cases, let us know fully what has been done. Should we not have 100 books sent to Dallas for class there?

"If you are not ready to come to Dallas, might it not be well for you to go on a week ahead to Los Angeles to shape things there? There will evidently be two tremendous classes there. Do not over-tax the strength of your leg when you start to step on it. Do not over-tax your head in thinking out the arrangement, for Dallas, unless you feel equal to it.

"It was imperative we cancel Jacksonville, as no arrangements of any definite nature had been made. This gave us chance to change the time for Passa-Grille class and give us time to finish 'Magic Presence' here before going there. Then after the Pass-a-Grille class to get

(Testimony of Harry F. Sieber.)

the 'I AM' discourses ready for the printer before going to Dallas.

"* * * [57]

"We are determined to get the 'Magic Presence' to the printers if we have to stop all classes, as it has already been too long now. This will enable both to be ready without missing but one class. It simply is not possible to do the manuscripts and class at the same time.

"* * *

"GEORGE."

GOVERNMENT'S EXHIBIT 81

reads as follows:

"March 2, 1935

"My dear Blessed Harry:

"Your letter of the 25th came yesterday. * * *

"Will you kindly send $100.00 to Mr. Couch and keep $50.00 for yourself out of the $150.00 you have for 'Unveiled Mysteries'. Send all money orders made out to you, the Saint Germain Press or Activities to Louise Majerus in Chicago. Endorse all that are made out to you personally, then she can deposit all at the Bank and keep the money orders from running over their thirty day limit.

"We will let you know when we are leaving here. We may stop in Dallas for two or three days, but I question very much having a ten

(Testimony of Harry F. Sieber.)

day class there, from report received today. This will enable us to get 'I AM' discourses ready for the printer, which is so important now.

"* * *

"Inform all people this work is entirely independent of Spalding or any one else. Neither does he or any one else have anything to do with the work. I do not know his attitude there to this work. We know but one thing, he cannot interfere with it in any way.

"* * * [58]

"GEORGE.

"P. S. Our expenses were high here and a small class but we have never had greater love and gratitudes.

G."

GOVERNMENT'S EXHIBIT 82

reads as follows:

"February 22, 1935.

"My dear Harry:

"Your letter of February 18th received. * * *

"I do not recall your request for the envelope with the Curtiss addresses, and as I had not looked in your brief case, did not know it was there, but on receipt of your letter yesterday I found it was there, and I am enclosing it.

"* * *

"We are just in receipt of a letter from Miss

(Testimony of Harry F. Sieber.)

Majerus that solves the situation with Benner (The Sun Pub. Co). He writes Miss Majerus that he is willing to pay the express and postage on the books, which makes his 40% on Unveiled Mysteries Okay. We had better just let that stand for the rest of the second edition anyway, as I trust you will be with us by the time the Magic Presence is off the press, we can take that up later, but I am sure all the other books after Unveiled Mysteries, should be 30% and 33½% on lots of 100 or over for Saint Germain has requested this from the beginning, and we want to obey him. We have not been on the Ray since New Year's in New York.

"A lot of things should have been done which have not, but we have done the best we could to get the 'Magic Presence' ready as quickly as possible, and no one wants it off the press more than we. It is nearly ready for the printer now. The contract is signed and the first payment [59] made.

"If you care to take my advice, you will cut yourself free from Smith as quickly as possible and forever. He is attempting to continue to spread lies in Miami about Saint Germain, Mrs. Mundy and ourselves, which we know is his self-destruction. He will not get far. He will lie about you just the same as to anyone who will listen to him. His penalty will be terrible. Do not ever let him have any more books, and if any one should order books from Miami, refer

(Testimony of Harry F. Sieber.)

them to Mrs. Mundy. When he made the pretense of being in communication with Saint Germain, refuting my authority, he opened himself wide to the most fiendish of forces. He is now telling he invested money with us. He never gave us a dime and has six books for which he never paid, and is offering them for $2.00 per copy; also offering photographs of the pictures for $1.00 each or three for $2.00.

" * * *

"GEORGE."

GOVERNMENT'S EXHIBIT 83

reads as follows:

"Sunday Evening, Febr. 3, 1935.

"I am just back from your home and have a few more reports to make. I found out that Sun Publ. Co. has a whole case of books shipped to them and the payment of the check is probably for that shipment. Beside there have been about 15 orders sent from here directly to their customers and yesterday's order was for 15 additional copies to be again forwarded from this office. I do not know what kind of agreement you have with that concern, but I feel that the 40% discount would not be wise on our part. One dealer has written to us and ordered some books in order to get the full discount. Therefore, I [60] conclude that The Sun Publ. Co.

(Testimony of Harry F. Sieber.)

is selling books to dealers and if they allow per chance 33½% as is customary with some dealers we would in time see our wholesale business go into their hands. For the larger concerns it would be more profitable to do business with the Sun Publ. Co. than to do it directly with us. I have seen cases like that in the book business and we should avoid them right from the beginning. And besides we pay the postage on the shipments that we make for them and that is at least an additional 5%, so that the whole discount amounts to about 45%.

"This is an extract from Miss Majerus letter which we think you should see.

"GEORGE."

GOVERNMENT'S EXHIBIT 84

reads as follows:

"March 13 - 1935

"My dear Blessed Harry:

"Your lovely letter of the 10th with the money order enclosed just received. Thank you so much.

" * * *

"It is quite all right to give the Fergusons any assistance you can, but I do not think they will require the application blanks in their work in Toledo. However, it is quite all right to send them if they wish them.

" * * *

(Testimony of Harry F. Sieber.)

"We leave here early on the 17th. Or if you do not get the word here, then let us know at Dallas. We will be there the 22-23-24. I am sure we could have had splendid class there if it had not been for finishing the 'Magic Presence' here, but it just had to be finished. Thank God it is finished and goes to the printers Friday the 15th. My gratitude is boundless. It is tons lifted [61] off my shoulders. The 'I Am' discourses are almost ready as well. So both will soon be ready for distribution for I know the Mighty Presence will release the money to print the 'I AM' discourses soon as they are ready. How grateful I will be when all three books are in print.

"* * *

"We are to open class in Los Angeles on the 2nd of April.

"* * *

"GEORGE." [62]

The Witness: I had some correspondence and some names and addresses that I had corresponded with in the brief case referred to in Government's Exhibit 80.

Exception No. 15

I had a conversation with Dr. Curtiss in the fall of 1934 prior to the holding of the class in Washington, D. C.

(Testimony of Harry F. Sieber.)

Mr. Neukom: Will you relate the subject of the conversation as near as you recall it.

Said question was objected to as immaterial and on the ground that the Ballards were not indicated as being present. Objection overruled and exception allowed.

The Witness: The first conversation I recall about was that Dr. Curtiss accompanied, I think, by his secretary came to the meeting and Mr. Ballard afterward told me who they were. I could not say definitely that Mrs. Ballard was present at the meeting. I can't say that I had a conversation with Dr. Curtiss while Mrs. Ballard was present. I have sent envelopes to Dr. Curtiss, I don't recall the exact details of any conversation regarding them. The thing that was definitely discussed was that I had no names in Washington to send these letters to; that Dr. Curtiss did have a list and that the envelopes were sent to him because he had an addressograph plate, that he would addressograph these letters and send them back for me to send out. That was all reported. I definitely had a conversation with Mr. and Mrs. Ballard prior to sending the envelopes to Dr. Curtiss with respect to that. I sent approximately a thousand empty envelopes to Dr. Curtiss in the box they came in. They were received back by me with addresses placed on them and I caused them to be mailed. I told Mr. and Mrs. Ballard what I was going to do. Before mailing the envelopes, I placed a circular letter (Government's Exhibit 87) in them with a return card. I do not

(Testimony of Harry F. Sieber.)

have a copy of the circular letter or card, nor access to either.

Referring to the Mr. Smith mentioned in Government's [63] Exhibit 82, prior to my tour of January 13, 1935, I had corresponded with him in Miami, Florida. Prior to corresponding or making advance arrangements for future classes, I discussed the program with Mr. and Mrs. Ballard as to the cities that they planned to go to. I discussed with them that I intended to make arrangements to go to Miami, Florida. I discussed with them that I had written to Wilbur Smith in Florida. I don't think I talked with the Ballards prior to each and every one of the classes, that I would have to make arrangements with a local representative where he would have to be reimbursed for his services.

I couldn't say that I had a discussion with the Ballards with respect to giving a local representative a percentage on the sale of the book. (Tr. Vol. 4, p. 307.) I did write to Wulbur Smith with regard to the Florida class. The only thing I recall is that I knew Mr. Smith by correspondence and, as he was located there, he was the man that I had written to and asked to secure the hall and get the class together. I communicated this fact to Mrs. Ballard. I do not have any present knowledge of the contents of the letter written.

An announcement was contained in the letter sent out by Dr. Curtiss. It stated in substance that there was to be a class in Washington. The date and place

(Testimony of Harry F. Sieber.)

were not selected at that time. A postal card was included and then if they were interested, to return the card and they would be given the date and place of the class. We mailed out about a thousand of these circular letters. I had the yellow circular entitled "Conditions Attendant Upon Acceptance of this Instruction" printed approximately October 1934 in Lansdale. Prior to that I received a paper from Mrs. Ballard with this Saint Germain instruction. It was the instructions of the class. It wasn't a letter, it was a sheet of paper handed to me in Philadelphia. I read from that paper to the classes before this was printed. I caused the circular to be printed. [64]

The Witness: The source of the paragraph on the reverse side of Government's Exhibit 87, which appears to be a quotation, I copied from the second page of the letter which is Government's Exhibit 69. I caused my name to be placed on the circular prior to its printing.

Thereupon,

GOVERNMENT'S EXHIBIT 88

was admitted in evidence, and reads in part as follows:

"Dallas, Texas, Mar. 26, 1935.

Dear Harry and Family:

* * *

"We had a splendid trip here from St. Petersburg. We have just finished one of the

(Testimony of Harry F. Sieber.)

most wonderful classes here we have taught thus far; 150 in attendance last night.

* * *

"As your condition does not permit you to get to Los Angeles, I think it would be wiser for you to remain there with your family and put forth as many books as possible, as we will only have two classes after Los Angeles in the West. When the Magic Presence reaches you, your 30% from the books should be able to take care of your home expenses.

* * *

"All should know there is only one key to financial success, and that is constantly pouring out Divine Love to all persons, places and things, and that criticism, condemnation and judgment but destroys its creator.

* * *

"The classes grow more and more wonderful as we move forward.

"Our Love and blessing and that of the "Mighty I AM Presence" enfolds you and your blessed family always and prosper you in the miraculous ways of the "Mighty I AM."

Lovingly,

THE BALLARDS

By G. W. B." [65]

After it was printed, it was circulated generally among the class. The Ballards couldn't help but

(Testimony of Harry F. Sieber.)

see it. It was circulated in classes at which they appeared. The Saint Germain appearing on the circular was on it when I received it. It was a typewritten signature, "Saint Germain." I never saw Saint Germain. The information contained in the third paragraph on the reverse side underneath the printed name "Saint Germain" came out of the letter that you have already read, Government's Exhibit 69.

Thereupon the circular letter was received in evidence and marked as Government's Exhibit No. 87. Mr. Neukom read from Government's Exhibit 87 three paragraphs contained on the reverse side of said exhibit after which appeared the printed name "Harry F. Sieber." [66]

In the presence of Mrs. Ballard, Mr. Ballard stated in the latter part of October 1934, in a hotel room in New York, that Saint Germain had said that there would be a million copies of "Unveiled Mysteries" distributed.

Cross Examination

The portion of Government's Exhibit 87 which I composed is subsequent to the words "Saint Germain". The portion commencing "Conditions Attendant Upon Acceptance of This Instruction" down to "Saint Germain" was on a sparate sheet that Mrs. Ballard gave to me. I was sincere in this whole work all the time that I was connected with it. It is hard to say "Yes" or "No" to the question whether

(Testimony of Harry F. Sieber.)

I believed the teachings. If I can qualify it, I will be glad to answer. Mr. and Mrs. Ballard represented that they were the messengers of Saint Germain and I accepted what they told me because I knew nothing about Saint Germain or any of their teachings, and I accepted it in sincerity. I believed the teachings as far as I was able to believe them. I believed it on the same basis that I believe in a Divine Being now. I definitely believed at the time that it was a good proposition for humanity. I believed that the dissemination of the information and assisting in the promulgation of the doctrines through the sale of books would help people.

Exception No. 16.

The Witness: I believed it would help people.

Mr. Cannon: And did you believe too, by reason of the experiences you have had with it, that it has helped thousands and thousands of people to your own personal knowledge?

Mr. Neukom: Your Honor, I object to that as being a conclusion of this witness.

The Court: Yes, it would be a conclusion. Sustained. Exception.

The Witness: I didn't go into this thing from a money making standpoint. I went into it and as long as I remained [67] in the movement, with the primary motivating cause of doing good to humanity. When I first came in contact with Mr.

(Testimony of Harry F. Sieber.)

and Mrs. Ballard, I had no thought of engaging in a book selling scheme. All I knew about the teaching was reading the book, and that is what attracted me to them. A book was given to me to read some considerable time before I met Mr. or Mrs. Ballard. After I read the book myself, I gave it to several others to read. I didn't acquire several books for myself for distribution. (Tr. Vol. 4, p. 340.)

Mr. Cannon: Just for the purpose of refreshing your recollection as to whether or not you had bought several of these books, or had several of the "Unveiled Mysteries" before you ever contacted Mr. Ballard, I will hand you a document dated May 26, 1934—that is on the envelope it is marked that way—and ask you if that doesn't refresh your recollection that even before you had ever contacted Mr. Ballard you told him "that we have bought"—just a minute, let me finish—"we have bought a few of your books 'Unveiled Mysteries.'"

Had you?

The Witness: Well, "we have bought a few of your books." I don't know to whom that "we" refers to. I personally didn't buy any books until after I was at Chicago and saw them.

Q. Who did you mean when you said "we have bought a few of your books"?

A. That might have been the previous organizations that I was with. I don't know frankly. At the time I wrote the letter dated May 26, 1934, I was definitely entirely interested in the spiritual side

(Testimony of Harry F. Sieber.)

or uplifting side of the movement. Thereafter, I went to Chicago and met Mr. Ballard. My first communications to him I addressed under his pen name, "Godfre Ray King". I wrote to him first after reading the book. I may have first talked to him on the phone before I went to his house, I don't remember. [68] A few weeks later I came to Chicago with my son. I came back to hear what they had to say about the Saint Germain teachings. I was still very much interested in the spiritual side of the enterprise and at that time when I came back to Chicago, ten of us came back to attend a group meeting. I had gotten up the group. There may have been a few who came through Mr. Ballard, I don't know. There were several that I got together. That was one of the first group meetings that was ever held. We didn't go there with any idea of commencing group meetings. We went there as a group to hear what they had to say and out of the result of that meeting, started these group meetings. I think that was in the latter part of July or the first part of August, 1934. My son and I attended the meetings and we stayed there for ten days. We had meetings in the forenoon and in the afternoon, but not in the evenings. I attended twenty meetings while there. I was more enthusiastic about the presentation of the teachings when I left the meetings than when I first came. I wouldn't call it a movement at that time. I don't know whether or not it is a movement now.

(Testimony of Harry F. Sieber.)

After I returned home from the first set of classes, I sent my wife to Chicago. She remained the same period. After she returned to Pennsylvania, she discussed the matter with me. After my wife came back from the class, I wrote to the Ballards, but I don't recall what it was about. Before I left Chicago I told Mr. Ballard that I wanted to be of use to him in any way that I could for the dissemination of the I Am principles. I continued to write to him about that for a number of months before the subject of selling books was ever discussed, with one exception. (Tr. Vol. 4, p. 347.) At the time I was at Chicago, the question of the first edition came up and he told me that there was a thousand in the first edition and that 400 had been sold and I offered to sell the other 600. That was on the first contact I had with Mr. Ballard. Nothing was said about compensation to me for selling them. With [69] that exception there was nothing said to me about the sale of books for several months. The subject had not arisen between myself and Mr. Ballard until they came to Philadelphia in October of 1934.

I was formerly a president of a bank or trust company in Philadelphia. I was educated primarily as an accountant.

Mr. Cannon: And from that experience you had had as a president of a bank and trust company, and your scholastic and practical training as an accountant, that was the reason, was it not, that Mr.

(Testimony of Harry F. Sieber.)

Ballard and you came to an arrangement that you should be the business manager?

The Witness: I can't answer for Mr. Ballard, and for myself, I would have to give you some other reasons for this thing. I went out there and took the classes and believed that they had something that would help people. Then we discussed it, and I suggested that they get out and they seemed to think I was all right to do the job, and that is the reason we got together. I don't think we had any specified reasons. I was the first so far as I know to suggest that the Ballards hold classes anywhere except in Chicago. I was the one who suggested that they come to Philadelphia and that they go from place to place throughout the United States. I think I suggested that the first class be held in Philadelphia. I don't believe that my first suggestion was that they go to New York. I think it was Philadelphia because there were three of us from that 10-day class in Chicago from Philadelphia. I wrote the letter dated September 28, 1934 stating:

> "It now looks as if it would be wisest and most advisable to hold the first class in New York."

I think I suggested the matter of taking up love gifts. My purpose in selling these books was to disseminate the I Am teachings.

Mr. Cannon: That was the only purpose that Mr. Ballard ever discussed with you, wasn't it, in connection with the sale of [70] the books.

(Testimony of Harry F. Sieber.)

The Witness: I don't think there was any further discussion on it at that time. I did not suggest to Mr. Ballard the amount of commissions that would necessarily be paid and which were usual with the trade in connection with the sale of books. I wrote the letter to Mr. Ballard, which is Defendants' Exhibit A for identification, reading:

> "That shows how foolish it is to send books from Chicago here and then from here back to the western points, particularly to the coast. I think you will have to work out something, some clearly defined policy on the books that will take care of every condition. I am sure you will have to figure on 50 percent to jobbers and wholesalers, 40 percent to men like Brenner, and 30 percent to the trade. These are pretty well established by the trade."

That letter was written in December after Mr. Ballard had established the 30 percent commission to me. I thought you were asking about that; this is the trade. I don't recall that I was the first one to suggest about the commission. It may have been, but I don't recall it. I wrote Defendants' Exhibit B for identification. I wouldn't be surprised that I suggested that the second edition be as many as 5000 copies. I can't say definitely. I am not sure.

Mr. Cannon: This letter that I had marked as Defendants' Exhibit B for identification, dated September 19, 1934, written by you says:

(Testimony of Harry F. Sieber.)

"However, I think we can arrange to get them in 5,000 quantities and thereby get enough better price so that I can allow a regular dealer 30 percent and still get something out of it."

Does that refresh your recollection?

A. (Pause) [71]

Q. I will read a little more:

"There should be 40 percent margin in the books, but, of course, that is based upon the publishing price."

Does that refresh your recollection?

A. Well, that still follows the first talk with Mr. Ballard which has already been read, and Mr. Ballard's letter in which he said Saint Germain said that 30 percent was to be paid on the books. The letter in which Saint Germain said something about 30 percent may have been written after the above letter of September 19 (Defendants' Exhibit B for identification), but there was a conversation before that; it wasn't all done by letter.

Q. Mr. Sieber, didn't you this morning tell me that after your talk with Mr. Ballard in Chicago, in July or August of 1934, nothing was said between you and Mr. Ballard about books until the Philadelphia meeting?

A. I may have said there was no regular arrangement made for me to sell books, but I didn't say that he didn't say anything about what commission would be paid, because I don't definitely

(Testimony of Harry F. Sieber.)

recall; but I know very definitely that Mr. Ballard set the 30 percent. I had nothing to do with that.

After I got the 30 percent, I began to look up the trade practices and those figures are the result of investigation of trade practices. The percentages that were allowed for the sale of the books were what I found to be the normal thing in trade practice. Perhaps I suggested that the sale of books be pushed for the purpose of disseminating as rapidly as possible the principles taught by the I Am movement. I don't recall.

Thereupon that portion of the letter dated September 19, 1934, hereinafter set forth, was offered and received in evidence as

DEFENDANTS' EXHIBIT B:

"To Our Most Wonderful Friends & Messengers of the Light—The Ballards: [72].

"Greetings and abundant joy and thanks to you all. Your special arrived last evening and I was so delighted with it that I didn't want to answer immediately for fear I might be too enthusiastic and effervescent. So I waited until today to answer.

* * * *

"There are a few things that I would like to have you give me definitely and in the meantime I will get busy and line things up. I will take the various points up in the same order as they appear in your letter.

(Testimony of Harry F. Sieber.)

"First. Re the books and book sales. I will be most happy to take charge of this for you and will do all I possibly can to put them over in a big way. 30 percent is perfectly satisfactory now. However, I think we can arrange to get them in 5,000 quantities and thereby get enough better price so that I can allow a regular dealer 30 percent and still get something out of it. There should be 40 percent margin in the books, but, of course, that is based on the publishing price. I am sure we can work that out satisfactorily, no doubt on the reprinting of the next edition of 'Unveiled Mysteries.' Now please answer me these questions in reference to the books:

"1. How do you want me to handle them—

"1. In the name of Saint Germain Press or my own name or some other name? Is Saint Germain Press incorporated? How do you want orders to be handled? Do you want me to have the orders come here to me or do you want them to come to you? Will you ship the books or shall I? These are details that must be worked out and whatever suits you best suits me. My own thought would be to relieve you of all details connected with the [73] distribution of all books. If possible, I think it would be advisable to do all busines in the name of Saint Germain Press. If the books are printed in Chicago they could be sent here in bulk and as I ship them out I could turn over to you

(Testimony of Harry F. Sieber.)

whatever is yours on each book or all remittances could be deposited in a Saint Germain account and once a week you could issue check to me for what was due me. I think the receipts should be budgeted, that is, so much put aside on each book sold for republishing, etc. But anyway you want it handled let me know and I will be glad to handle it accordingly. I would like to see the letters ordering the book and comments after reading because that is the basis on which the whole constructive program can and will be built. So let me know your wishes on this as soon as possible. * * *

"My idea and hopes are to start the Eastern work with Oct classes in Phila. Nov classes in New York & Dec classes in Boston. Also after each class is over, to organize the class into a regular group that will continue to meet and study over their discourses; of course, that all depends on the future & will work out as the 'I Am Presence' wants it to.

"With all the love in the world and in happy service to the Mighty I Am Presence, and asking only to be used more and more each day in this Mighty I Am Service,

"Lovingly,

"HARRY." [74]

The Witness: I said that when I went to Chicago the first time "Unveiled Mysteries" had already

(Testimony of Harry F. Sieber.)

been published. I don't know how long prior to that visit. By the reference last made in Defendants' Exhibit B, the matter of selling books was, in my view, and from my discussions with Mr. Ballard, the method that was going to be best used to disseminate the information to the public. As a result of the letter, Exhibit B, Government's Exhibit 70 was sent. I was the first one who suggested the Ballards conducting the various classes in the different parts of the United States, because I thought they had a message that might be beneficial to people. I do not say that I was the first who suggested the offering of love gifts.

Thereupon Government's Exhibit 89 was offered in evidence. (This is a small copy of an early edition of "Unveiled Mysteries", "Copyright 1934 by Saint Germain Press. All rights reserved, including copy of frontispiece and foreign translation. Printed in the U. S. A.")

The witness was shown Government's Exhibit 69, a latter dated September 16, 1934, signed "G. W. Ballard," and Defendants' Exhibit C for identification, and testified as follows:

Exhibit 69 was in answer to Exhibit C. (Tr. Vol. 4, p. 374.)

Mr. Cannon: Now, I will refresh your recollection as to what was said by you as to these voluntary donations. I will read now portions of Exhibit C for identification.

(Testimony of Harry F. Sieber.)

"Then, too, I would like to make a suggestion to you. Far be it from me to tell either you or Saint Germain your business in any way, but I feel that I know so many souls who are just aching to get what you have to give and that they should have it. I feel that this wonderful work should be spread faster and [75] I believe and feel I could do a lot to help in that respect. The response to my suggestions concerning 'Unveiled Mysteries' seem to indicate that I could do a great deal to spread the I Am Presence teaching, so that I want to as modestly as possible and with not the slightest desire or intention of intruding in any way to suggest to you and ask you if you don't think it would be possible and advisable for you to travel from city to city spreading this truth which is so mighty and great. I could develop these groups or classes and would do so by concentrating the sale of 'Unveiled Mysteries' in a certain city in advance of your coming, and by so doing could have a good sized group interested and ready for your work. There could be a minimum number required if you would think that advisable—say a class would not be given unless there were either 50 or 100 students ready to take the work. This could vary with the size of the city. Also there would be no charge for the teaching and no collection, but the students would be given to understand that they should take care of the

(Testimony of Harry F. Sieber.)

expenses (actual) and make a donation as they saw fit or were benefited by what they received, and in accordance with their financial ability. There are at least a hundred cities throughout the United States in which I could get together interested groups ready for the teachings. The most important thing, as I see it, is first how you good people feel about it, and whether or not you want to do this, and the next thing is just how the expenses should be taken care of, whether any kind of arrangements could be made in advance to have the actual expenses underwritten or whether you would [76] want to depend on a free-will offering to take care of same. The basic thing I am interested in is getting before as many good souls as quickly as possible the wonderful message you have to give."

Does that refresh your recollection as to whether or not you were the one who suggested first the matter of free-will offerings?

The Witness: There is no suggestion in that. It is only asking questions as to what they approved of.

Q. But they brought forth the letter you had before you in which this matter of free-will offering—

A. The question of free-will offering was discussed with me and Mr. Ballard in Chicago at the

(Testimony of Harry F. Sieber.)

class. He told me the same thing that is in the Saint Germain message, that they as messengers could not say anything about it. I wrote him the letter asking him how to go about it because he was the authorized messenger of Saint Germain and I had to get his consent for anything I did. The method of receiving free-will gifts at the lectures was suggested by me. I did not discuss with Mr. Ballard the matter of pushing the sales of the book "Unveiled Mysteries" and following it up with a correspondence course with Mr. Ballard in Chicago. That was my own idea and followed later in my desire to disseminate the knowledge. Nobody suggested the publication of any book in the movement other than the one entitled "The Magic Presence" and "Unveiled Mysteries". I don't recall suggesting to Mr. Ballard that he have a series of books.

I wrote the letter of September 29, 1934, marked "Defendants' Exhibit D for identification".

It was thereupon stipulated that it was in the handwriting of the witness.

The Witness: Exhibit D for identification reading as follows, [77]

> "Anyhow it will be necessary for me to do the job right to see all the correspondence re the books and the classes. From those who react favorably to the books will be built greater book sales and the establishing of classes. I know also that from the reader of the books can be secured the funds for further publication if that is permissible.",

(Testimony of Harry F. Sieber.)

speaks for itself, and I did make the suggestion that there be a publication of a series of books. At that time I knew of only one other book to follow, and that was "The Magic Presence." That wasn't completed until they were down in Florida and that was after I was hurt and out of the picture, so the other publications all followed and were never spoken of to me up to that time. No lists of people were used at any time except that Washington list from Dr. Curtiss, who attended the lectures in Philadelphia. That list was voluntarily furnished.

The groups in the classes were not locked together in any great extent, excepting some members attending one class, if they had friends in the next city would write and tell them about it and say, "Go hear the class". It was voluntary.

I have a faint recollection of having asked the Ballards for a list of their students after the books began to be sold through me. I got word back that they didn't keep a list of students.

When I stated that I saw Mrs. Ballard typing, I don't know whether it was a manuscript on the "Unveiled Mysteries" or "The Magic Presence" or what it was. I never went over and examined it.

There were no members in the activity. There was no admission fee charged and no charge made when students filled out an application or anything of that kind. No dues were charged. [78]

(Testimony of Harry F. Sieber.)

Redirect Examination

I didn't cause the letter, Government's Exhibit 72, to be written. I was always listening to what directions Saint Germain had to give through the Ballards. Explaining what I meant by my answer concerning how love gifts or collections should be divided, I will explain. I distributed envelopes in which the gifts could be given. In other words, the people who took the lectures could put it in an envelope as they went out if they wished to leave anything. That was my suggestion and that occurred at Philadelphia and started with the first class. The first formal suggestion of love gifts was in that letter of September 16 in which I was authorized by Saint Germain, not being a messenger, to tell the students they could pay the expenses of the messengers. I am referring to Exhibit 69. I had not suggested that love gifts be sought from students prior to that. We had no students before that time, so there wasn't anything to suggest. The information with respect to the fact in Exhibit B at first, "Try out 2 classes in October and 2 in November" was in the letter from Mr. Ballard in Chicago. It had been called to my attention that Saint Germain had said that they were to have $1.00 clear on all books as his gift to them. That was not a suggestion of mine to the Ballards.

(Testimony of Harry F. Sieber.)

Thereupon the document, which was Defendants' Exhibit A for identification, was offered in evidence by the Government and marked

GOVERNMENT'S EXHIBIT 90,

and is as follows:

"Dear George:

"The enclosed letter is self-explanatory. These are the people in California I spoke to you about. Mrs. Courtois is the woman who is doing advance work for us there on the classes.

"Now, as to the book situation while we discussed it, we did not get down to anything definite. This [79] letter will show you the necessity of doing so. Just as in the case of Benner who wants 40% these people want 50%. After all it is this type of distributor and Benner who will get you the real distribution. It is from such people as these that most of your business will come. Also you must keep in mind the fact that eventually your entire distribution may find its way into the regular trade channels, thereby eliminating all other selling channels and consequently cutting me out of the picture entirely. I don't want to stand in the way of a single book getting out as quickly as possible, at the same time I do feel that I should have consideration for this missionary work which after all is the vitally important work. Then too, here is another point for considera-

(Testimony of Harry F. Sieber.)

tion. I sent a book to California since I came home. It went to one of the most important men on the Coast so far as our work is concerned. It cost me 26 cents postage. That shows how foolish it is to send books from Chicago here and then from here back to western points—particularly the Coast. I think you will have to work out some clearly defined policy on the books that will take care of every condition. I am sure you will have to figure on 50% to jobbers and wholesalers, 40% to men like Benner and 30% to the trade. These are pretty well established by the trade and I don't think there is much you can do about it unless you don't want to sell such people on their terms. The important thing is an equitable adjustment between you and me, particularly now that I am going out after the 'big business' of the book trade. These people really should be the western distributors so please return their letter to me as soon as possible so I [80] know what to tell them. I am rushed to death. Mail terribly heavy. Washington not coming on as I would like to see it."

There is no question but that the letter from Mr. Ballard, dated December 18, 1934, Government's Exhibit 73, was in answer to my letter, Government's Exhibit 90. [81]

WILBUR CURTIS SMITH

was called as a witness in behalf of the Government and testified as follows:

I am a news photographer and real estate broker living in Miami, Florida. I am acquainted with Edna W. Ballard and Donald Ballard and was acquainted with the deceased Guy W. Ballard, having met them in the fall of 1934. I met them through Harry Sieber. In February of 1935 I made arrangements for the Ballards to have a place in Miami, Florida, to conduct a class. I met the Ballards in Palm Beach, Florida, in mid January of 1935. I had a conversation with the Ballards on this occasion and introduced them to Mrs. Mundy. At this meeting Mrs. Ballard told me, after I had remarked that I had not heard from Harry Sieber in ten days, that he had met with an accident in Baltimore and was either dead or dying. On this occasion Mrs. Ballard said she had a terrible cold. She talked hoarsely and she asked me to scare up for her a quart of pineapple juice and some cough lozenges. I did so at my own expense. About ten days later I saw the Ballards at Miami. This meeting took place in the hall which I had rented for them. A lady from Toledo, Mrs. Pinkerton, was there and Mrs. Mundy and I were cleaning and mopping up the hall to make the place respectable when the Ballards arrived. At this time Mrs. Ballard stated the Palm Beach show—class—was a fizzle and she asked me to go to the Chief of Police in Miami and ascertain what the statute was as they

(Testimony of Wilbur Curtis Smith.)

had been almost pinched in West Palm Beach. She also asked me to arrange accommodations for them, so I went to Mrs. Mundy, who had plenty of accommodations, told her the Ballards were pretty hard up and she invited the Ballards to stay at her home. Thereafter, I told Mrs. Ballard that I had seen the Chief of Police and that he had told me that if they passed the hat they would have to take out a $500 license fee. Mrs. Ballard then said that they could not take up a collection so I made the suggestion that she make an announcement from the stage that the people leave their money at [82] the door when they went out. The next morning I had a conversation with Mrs. Ballard at the hall in which I told her I was interested in carrying on in Harry Sieber's shoes to promote this show. Mrs. Ballard asked to what extent I could finance the campaign and I replied, "How far would $500 go?" She replied that that would be a Godsend right now. I then asked her what I would get out of it, asking her if one-third would be all right, and she mumbled something about one-fourth, to which I responded that I did not think Harry Sieber carried on for any such percent.

At that time I had a further conversation with her in which I told her I could show her how to make $1,000 quickly. I suggested, since I was a photographer, that I photograph the two pictures and sell them, one of the funny fellow that stands up above the other in a bottle or something—I forget

(Testimony of Wilbur Curtis Smith.)

what they call it—it is supposedly somebody that stands above our head and is ourselves. It is a picture of a male person from the bust up and above it what looked like a half-angel and a half something else in a bottle. The witness then identified said picture as being the same as the one contained in Government's Exhibit No. 5 (opposite the third page) entitled "The Magic Presence."

Exception No. 17

Said photograph was received in evidence over the objection of the defendants that it was immaterial and also, except as to Mrs. Ballard, hearsay. Exception was taken and allowed.

The Witness: I suggested to Mrs. Ballard that we sell the photographs for $2 per copy. They only cost us 2¢. Mrs. Ballard said she thought it was a good idea.

Exception No. 18

I attended the class meeting held that evening and noticed that Mrs. Ballard could scarcely speak above a whisper and that she took cough drops right in front of the audience.

Objection was made to this statement which objection was [83] overruled and exception allowed.

The Witness: I observed Donald Ballard on the second meeting night. He left the hall after a very loud invocation and slid out the side of the hall and I followed him. I asked him why he did not

(Testimony of Wilbur Curtis Smith.)

stay for the show. He replied that he got enough of that bunk without staying to the meeting. I asked him where he was going and he said to a show. I drove Donald to his show and while riding he complained about not getting enough spending money so I asked him why he did not have Saint Germain precipitate some, to which he replied, "Oh, some more of that bunk."

On the following day I went to the hall, photographed the two pictures and mailed them to Washington for copyrighting.

Exception No. 19

Another picture, Government's Exhibit No. 4, being a picture in an issue of "The Magic Presence," copyright by Saint Germain's Press in 1935, was admitted in evidence subject to the general objections of defendants as interposed to "Unveiled Mysteries." Exception was allowed (4a was a copy of Exhibit No. 4 without any markings, which was shown to the jury).

The Witness: That same evening, after the meeting, I didn't have any conversation with the Ballards but I went to Mrs. Mundy's house and sought to see the Ballards but she said I couldn't see them. The next day, I went again to Mrs. Mundy's house to see the Ballards but Mrs. Mundy said I could not see them, so I told Mrs. Mundy that I had money coming from the books and unless I got the same I would shut the hall and would have no more meet-

(Testimony of Wilbur Curtis Smith.)

ings until I got my money; that they were not going to swindle me and leave town. Mrs. Mundy said she would give the Ballards my message.

I took the two things (pictures)—I didn't know them by the names "The Magic Presence" and "Saint Germain"—and made copies of them. The one of Saint Germain was kind of a bust picture [84] affair. I sold copies to all the flock I could in Miami and in different cities in the East.

The second or third night in Miami I had a conversation with Mrs. Ballard asking her where they were going from Miami. She replied to Dallas and California. I told her this would go over big in California because people there were very metaphysically-minded. She said so she had heard. She mentioned a certain party who she termed it, fell into a gold mine in Los Angeles, and I said, "Yes, I have heard about it, too." (Tr. Vol. 4, p. 438.)

Cross Examination

I am 56 years of age. I first contacted the I Am movement in the latter part of 1934 through correspondence with Harry Sieber. I don't remember whether I turned this correspondence over to the Post Office Inspectors or not. I don't remember who first contacted me about the I Am investigation from the Post Office Department. I do not recall whether I was contacted by them or not. I never met Mr. Van Meter or Mr. Callahan. I cannot remember nor can I approximate when I first

(Testimony of Wilbur Curtis Smith.)

related to any United States Government officials about my atendance at the meetings in Miami. I suppose it was this year. I have had a Grammar School and a High School education. Harry Sieber first wrote to me about a wonderful metaphysical organization that was going to set the world on fire. I did not believe him but I arranged for some meetings down at Miami. After a lot of fighting he told me I would get a commission on the books—30 per cent—maybe it was 25 per cent. He told me that he would send me one hundred books so I figured I would make 50 bucks. I don't know whether I expected to get more than this or not. For this I was to rent a hall, doll it up and clean it up, send out a bunch of postcards and get my friends to come and see what it was all about. The books were to sell for, I think, $2.50. I was not aware that I was to participate in any donations or love gifts. I don't think I ever claimed any. I don't think I talked [85] to Mrs. Ballard about commissions when I first met her. She talked about precipitating babies instead of having them the biological way and about cough medicine and pineapple juice. I advertised the meetings in Miami among my friends although I did not believe there was much to it. I don't think I ever had any faith in this movement. I don't know whether I made any personal campaign among my friends to sell books or not. I don't know whether in consideration of my receiving the commission on the sale of books

(Testimony of Wilbur Curtis Smith.)

I was supposed to mail the postcard announcement of the meetings or not. I don't think that the promotion of this scheme had anything to do with the book sale. Harry Sieber had asked me to help get the meeting across. I wanted to know how much was in it beside the book. I knew he was getting a rake-off and I wanted to know how much he was getting but he would never tell me. It was because I wanted to get a rake-off that I asked Mrs. Ballard if I could step into Sieber's place. At this time I thought the whole thing was pretty much of a fraud but was still willing to participate in the rake-off. When I got the 100 books I distributed five or a dozen to people to look over but I did not collect any money from them. No, I didn't deliver the balance to *Miss* Mundy—it was to *Mrs.* Mundy. Books were passed out to those who attended the meeting and I saw some of the books paid for—how many, I don't know. It was 3 or 4 days after Mrs. Ballard came to Miami that I first asked her for commissions, that was after she blew up. I may have sent postcards asking people to buy books but I don't remember.

A postcard, defendants' Exhibit "E", for identification, was shown to the witness. He testified that he did not recall mailing that postcard and does not recall whether his Post Office Box in Miami on February 15, 1935, was 965.

Exhibit "F", for identification, was shown to the witness and he stated that it was one of his copy-

(Testimony of Wilbur Curtis Smith.)

righted photographs. [86] It was then stipulated that Mr. Smith's Post Office Box was 965 and that the postcard, Exhibit "E" and the photograph, Exhibit "F" could be introduced in evidence, which they were.

The Witness: I may have dated that postcard a year ahead. Mrs. Ada Ferguson, addressee on the postcard, is dead. I knew her in her lifetime.

The witness then stated in reply to the question as to what he meant on said card, Exhibit "E", by the statement that one half of the money would go back into the work, that he didn't say he sent the card to start with.

Referring to the pictures that I took from the hall in Miami and photographed and sent to Washington for copyrighting, I did not have permission from anybody to do so. I wouldn't exactly say that right from the start of the meetings in Miami that I was doing everything I could to upset the meetings. I wouldn't say I was very bitter toward the Ballards and I am not a bit bitter now; I have forgiven them; I am a Christian; I believe in a Supreme Being, but maybe not yours. Prior to the meetings held in Miami in February of 1935, there were no adherents of the I Am movement in Miami. The meetings in Miami were attended by between 5 to 60 persons. When I mentioned a while ago that Mrs. Ballard blew up, I mean that she got mad at that time. I said to Mrs. Ballard, "You, your husband and Donald are the only three people

(Testimony of Wilbur Curtis Smith.)

on earth that have the omnipotent power evolved upon you by Saint Germain who you say is the equivalent of Jesus. If so, why do you have to peroxide your hair? Why don't Saint Germain make you a natural blond? Why do you have to take cough medicine? Why don't Saint Germain heal you instantly? Why don't you resurrect your friend Harry Sieber and why do you pass the hat if you can precipitate all the money? Then Mrs. Ballard got up and walked away saying, I don't know what. I can't recall other than that she was in a huff. (Tr. Vol. 5, p. 491) This conversation [87] took place after the occasion concerning which I previously testified in which I drove Donald Ballard to his picture show. I don't know whether or not the people who attended the meetings were sincere in their belief.

Redirect Examination

I was subpoenaed to come out here to testify by the Government. After arriving in Los Angeles I spoke to Mr. Neukom and Mr. Lazarus for the first time.

Recross Examination

I would say 99 per cent no, I did not talk to any Post Office Inspector prior to talking to Mr. Neukom and Mr. Lazarus. I never saw Mr. Callahan before this trial in my life. The same is true as to Mr. Van Meter. I may have written letters to the Post Office Department or the United States Attorney's Office as to my knowledge in this case. (Tr. Vol. 5, p. 497)

MAX GYSI

was called as a witness on behalf of the Government and testified as follows:

I am acquainted with Edna W. Ballard and Donald Ballard and was acquainted with the late Guy W. Ballard. I live in Boston. I am retired. I used to work in banks, both in Europe and this country, Switzerland and London. When I met the Ballards in November of 1934 I was retired. Harry Sieber introduced me. He was their business manager. I attended my first class of the Ballards in Boston in November, 1934. Thereafter, I attended sessions, afternoon and evening. I advanced money for the publication of the book "Unveiled Mysteries." Prior to advancing money I had picked up at one of the classes in November a copy of an announcement. Said announcement was received in evidence and marked "Government's Exhibit No. 91," and was read to the jury by Mr. Lazarus.

At these classes in Boston Harry Sieber was at the door enrolling the people who came in. I advanced Mr. Sieber some [88] money for reprinting a new edition of Government's Exhibit No. 91. Thereafter, after I gave $600 for reprinting the book, I saw a reprint of the original edition.

The Boston classes lasted for ten days. After that I went by midnight bus to New York and stayed for two classes and then returned to Boston in December of 1934. I attended classes in Washington, D. C. from January 3 to 12, 1935. During the New York classes and during the Wash-

(Testimony of Max Gysi.)

ington classes I talked to the Ballards on several occasions. After the payment of the money to Mr. Sieber in Boston I received a letter from the Ballards.

Exception No. 20

The letter was offered in evidence as

GOVERNMENT'S EXHIBIT NO. 92

and was received over the objection of the defendants on the ground of immateriality and irrelevancy. Exception was allowed. The letter was written on the stationery of the Hotel Breslin, New York City, dated December 21, 1934, and was read to the jury by Mr. Lazarus, as follows:

"Blessed Beloved Student of Light:—

"Your lovely letter of the 18th came with the one to the students which I think is beautiful and splendid.

"I do not see anything to be altered. What a blessing when the Mighty 'I Am Presence' releases five thousand dollars or more to puf this work forward as it should be. After that it would be self-supporting, I feel sure—and to have Mr. Brooks make colored pictures of the Masters, the Gods of the Mountains, the Cosmic Beings, pouring forth their radiation to the earth." These are so vital to be fixed in the vision of mankind and tremendously enhance and bless the class [89] work.

(Testimony of Max Gysi.)

"All this will come about in perfect Divine Order, for 'I Am' the only acting Presence everywhere." * * *

(Signed) "THE MESSENGERS,
"THE BALLARDS."

I cannot say definitely that this letter is in Mrs. Ballard's handwriting but the subject matter was such that I had only discussed with Mrs. Ballard. After receiving this letter (Government's Exhibit No. 92) I received a Christmas Greeting from Saint Germain. This greeting card was received in evidence as Government's Exhibit No. 93, and was read to the jury by Mr. Lazarus. It was dated December 25, 1934.

"Beloved Brother of Light:

"It is with much joy that I bring to you this greeting of the season and use the opportunity to thank you with sincerest gratitude for your service for the I Am Presence.

"It is indeed a great service you are rendering.

"The Light within you is expanding rapidly and you are drawing closer within your Mighty Presence in your recognition and adoration.

"Let the Fulness of its Perfection fill your world.

"I trust, ere long, we shall meet face to face.

"My love enfolds you always,

"SAINT GERMAIN."

(Testimony of Max Gysi.)

I never met Saint Germain face to face nor in any [90] other manner. Thereafter I received a letter signed "The Messengers, The Ballards," dated December 27, 1934. From the contents I would judge this letter to be from Mr. Ballard. (Tr. Vol. 5, p. 510.)

Exception No. 21

This letter was received in evidence as

GOVERNMENT'S EXHIBIT NO. 94,

subject to the same objections, to-wit: lack of materiality by the defendants. This was a handwritten letter from New York City, dated December 27, 1934, and a portion of it was read to the jury by Mr. Lazarus as follows:

* * * * * * *

"We had a quiet but marvelous Christmas. We were on the Ray from 12:30 noon to 4:30 and Saint Germain dictated one of the most powerful discourses, I think we have so far received. You shall have copy.

"How my heart fills with gratitude for your lovely friendship. I congratulate you on your message from Saint Germain. His last words, he has never said to any one before, at least to my knowledge."

"THE MESSENGERS,
"THE BALLARDS."

* * * * * * *

(Testimony of Max Gysi.)

The Witness: Following the Washington classes Mr. and Mrs. Ballard asked me to help them arrange for lectures in Florida inasmuch as Harry Sieber had been seriously injured. I said I would. Nothing was said about remuneration. For eleven months thereafter I acted as business manager for the Ballards, ceasing such services on November 21, 1935. After leaving Washington I drove to West Palm Beach with the Ballards; thence, we went to Miami. I saw Mrs. Ballard working on a manuscript after we [91] left Miami. At this time subscriptions had been received for a second volume known as "The Magic Presence." I urged on Mrs. Ballard the publication of this second volume. After I saw the manuscript I had conversation with Mrs. Ballard relative thereto. The title of the second volume was fixed by Mrs. Ballard. Mrs. Ballard said she would complete the manuscript for publication as soon as possible. I examined a portion of the manuscript which Mrs. Ballard handed to me. Thereafter, when the second volume was printed, some of the contents were similar to the portion of the manuscript that I had read. When Mrs. Ballard handed me the portions of the manuscript she asked me to look through the same for suggestions or changes or improvements or mistakes that might be there. After going through the manuscript I noticed frequent use of the phrase "The Mighty I Am Presence." This phrase was written in different ways and I suggested it should always be used in a uni-

(Testimony of Max Gysi.)

form manner. When the volume was printed this phrase was made uniform. I also told Mrs. Ballard that in describing the journey that Mr. Ballard had made to India, ports of call were in wrong order. At Mrs. Ballard's suggestion I put the ports of call in proper order, that is to say, in that order in which a traveler from the Mediterranean side—from the European side to India—calls there. In examining the printed volume I noticed that many of them (ports of call) were omitted but those there were in the order suggested.

Thereupon Mr. Neukom read from the following pages of "The Magic Presence," Exhibit No. 4: Pages XI, XII, 12, 132, 175, 177, 179, 225-227, inc., 229, 230, 242, 244, 265, 287, 293, 296 and 370.

The Witness: I also pointed out to Mrs. Ballard that according to the manuscript that she had given me to read, it recited that the car in which Mr. Ballard was traveling descended [92] a little slope and presently entered a temple. The dimensions of the temple were given in the manuscript, the base of the columns about seventy feet high with a cupola at the top. I added the dimensions and pointed out to Mrs. Ballard that this temple would extend above the ground at the level of the desert some 60 to 70 feet. Mrs. Ballard then called Mr. Ballard and repeated what I had said. As the book was published it recited that there was an elevator of some 270 feet and the height of the temple was still about

(Testimony of Max Gysi.)

70 feet, so it was well below ground, as written in the book. (Tr. Vol. 5, p. 540.)

In about April of 1935, the Ballards stated to me that they proposed to go to Europe to spread the I am in Europe. After this discussion I received a letter handed to me by Mrs. Ballard.

The letter was received in evidence as

GOVERNMENT'S EXHIBIT NO. 95,

a portion of which letter, dated April 1, 1935, was read to the jury by Mr. Lazarus as follows:

* * * "The conditions in Europe, at the present time are such that it makes it quite questionable at present"——

Then "at present" is marked out in pen

"—as to the advisability of attempting to go abroad this season.

"However, I will endeavor to keep a close watch upon the situation, and let you know if the way is sufficiently clear.

"When these classes are finshed here, the one in San Francisco, and that in Seattle, the principle part of the sinister resistant force to this work will have spent itself, and there will be little or no resistance to this work in the future, except now and then [93] a personality.

"* * * * * * *

"My love and Blessings enfold you always."

(Signed) "SAINT GERMAIN."

(Testimony of Max Gysi.)

The Witness: On or about April 1, 1935, Mrs. Ballard, in my presence, wrote and signed Government's Exhibit No. 96.

Exception No. 22

This document was received in evidence as

GOVERNMENT'S EXHIBIT NO. 96

over the objection of defendants that it was immaterial. Exception was allowed. This letter was read to the jury by Mr. Lazarus as follows:

"This perfect likeness of the Ascended Jesus Christ was painted by Charles Sindelar of Los Angeles, Calif., and is exactly as I saw him in the visible, tangible body at the Royal Teton one year ago last New Years.

"Jesus came to Mr. Sindelar for twenty-one consecutive days at two o'clock in the morning in his visble body until the painting was completed.

"This picture I know to be real and authentic. We have held the original in our hands, and the power focused through it is tremendous."

(Signed) "G. W. BALLARD
(Godfre Ray King)
"EDNA W. BALLARD
(Lotus Ray King)."

(Testimony of Max Gysi.)

The Witness: Mrs. Ballard told me at this time that this was the first draft of a circular to be issued to sell the picture of the likeness of the Ascended Jesus Christ.

A pamphlet referring to new pictures of the Ascended Masters, Jesus and Saint Germain, was prepared and distributed shortly after the signing of Exhibit No. 96 by Mrs. Ballard. [94]

This pamphlet was received in evidence as Government's Exhibit No. 97. Mr. Lazarus read a portion of this Exhibit, one page three times folded paper, on the front of which appears "The New Pictures of the Ascended Masters, Jesus and Saint Germain."

The Witness: I recall a conversation with the Ballards concerning a booklet called "Your Own Path." This conversation took place at Pass-a-Grille (near Miami). Mr. and Mrs. Ballard and Donald were present. I had received this booklet in the mail and at breakfast read aloud from it. Then I sent for a half dozen or a dozen copies to distribute among friends after the Ballards had apparently approved as they stated they thought the extracts I read were very fine. Then I gave them to friends and I used to write a little inscription on the first page. Thereafter, I received a communication from Saint Germain, but not delivered by Saint Germain personally. This document was received on or about June 19, 1935.

(Testimony of Max Gysi.)

This document was received in evidence as

GOVERNMENT'S EXHIBIT NO. 98,

and was read to the jury by Mr. Lazarus. This Exhibit was typewritten in red ink. (Tr. Vol. 5, pp. 551 and 552.)

"Yellowstone National Park
"Old Faithful Inn

"June 19, 1935

"Beloved Brother of the Light
"My Dear Max:

"I think it very unwise to hand out anything more published by the SUN PUBLISHING COMPANY, as it encourages people to be misled by the great amount of untruth that is given through that activity.

"Most students do not know how to discriminate and when you hand out something [95] they take it as authority and I am sure you do not wish to take the responsibility.

"To recommend and call to the attention of your friends and students UNVEILED MYSTERIES, THE MAGIC PRESENCE, and THE 'I AM' DISCOURSES and the BOOK OF AFFIRMATIONS when it is ready will be the greatest service you can ever render to any human being and can only bring you happiness and good in return.

(Testimony of Max Gysi.)

"I would suggest that you read UNVEILED MYSTERIES and THE MAGIC PRESENCE thoroughly as soon as it is possible for you to do so.

"With all the love of my heart,

"SAINT GERMAIN

"P. S. I am deeply grateful for your unselfish service and it is expanding that Light within which will one day give you great satisfaction."

The Government then read extracts from the Government's Exhibit 12, page 4; Exhibit 28, pages 18 and 20, and from Exhibit 8, page 374. The witness was then shown a document entitled "Total Amount of Books, Charts and Pictures Sold from April 4, 1935, to September 1, 1935," and stated he received it from Mrs. Mundy.

Exception No. 23

This document was received in evidence as

GOVERNMENT'S EXHIBIT 99,

over the objection of defendants on the ground of immateriality and irrelevancy and upon the further ground of hearsay. Mr. Lazarus thereupon read the following figures from the last page of said Exhibit 99, said page being headed "Recapitulation":

"1,237 Unveiled Mysteries	at 2.50	$ 3,902.50
659 Magic Presence	at 2.75	1,812.25
1,031 I Am Discourses	at 2.75	2,835.25
979 Charts	at 1.00	979.00

(Testimony of Max Gysi.)

154 St. Germain Pictures	at 2.00	308.00
292 Large Jesus Pictures	at 2.00	584.00
454 Small Jesus Pictures	at .50	274.00
730 Seals	at .10	73.00
Total		$10,768.00
Wholesale sales, less 30%		283.33
Cost sales		15.75
		$11,067.08"

The Witness: I had a discussion with Mrs. Ballard about the possibility of a Chicago class in 1935. I received at about that time a letter from Mrs. Ballard in San Diego. It was on July 27, 1935, at 10:15 P. M.

Exception No. 24

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT NO. 100,

over the objection of defendants on the ground of immateriality. Exception was allowed. A portion of this letter was read to the jury by Mr. Lazarus as follows:

"Hotel Figueroa
Los Angeles, California

July 6, 1935

"Saint Germain:

* * * * * * *

"Classes"

"Take a class of four days in Chicago on your way east because with the work they have

(Testimony of Max Gysi.)

had, the explanation with the chart will cover most of the ground needful. * * *

"In the future, keep your plans to yourselves. * * *

"The books will go forward with greater and greater speed; THE MAGIC PRESENCE is fulfilling its plan wonderfully for everyone is feeling its greater power and that which it reveals. * * *

"I think it wiser to re-edit UNVEILED MYSTERIES and [97] make it uniform with the others.

"I think it may be necessary for Max to see Chicago students in arranging for the proper place in Chicago for he knows what is required. Four days will fulfill all that is necessary.

"I am tremendously gratified with the accomplishment and reception of THE MAGIC PRESENCE and thank you all for your effort in bringing it about."

"Radio"

"The activity over the air will accomplish tremendous things. It will be easy to bring in the 'I AM' for the protection of America and that if enough American people could understand how to bring the 'I Am' into action, all their problems would be solved in a way inconceivable to the outer activity. The readers of UNVEILED MYSTERIES and THE

(Testimony of Max Gysi.)

MAGIC PRESENCE were finding the solutions to their problems individually and naturally. This would bring about the greatest help possible.

"TO THE OFFICIAL FAMILY"

* * * * * * *

"I think it best for my picture to be sold at the class, through Saint Germain Press, and the Sindelars. It can only bring good and blessing and cannot bring anything but good to me. It is quite all right with me. The need is to get the attention of humanity upon the Ascended Masters the 'I AM' PRESENCE and I think it quite right to confine its sale to these channels.

"Mr. Sindelar is a remarkable instru- [98] ment and has produced the likeness of Jesus and myself in a very wonderful manner. I believe he will be able to produce the likeness of Nada quite as perfect and also that of the GREAT DIVINE DIRECTOR.

"The true likeness of the GREAT DIVINE DIRECTOR and the attention of the students upon even as they know of him today would do tremendous things for America."

* * * * * * *

"Tetons"

"When you (EWB) stood on the point alone in the Grand Canyon, a tremendous Ray was then established." * * *

(Testimony of Max Gysi.)

The Witness: After receiving this letter Mrs. Ballard told me that there would be no class in Chicago. I pointed out that Saint Germain had directed me to form a Chicago class but she replied that there would be no Chicago class. I did not hold such Chicago class. I had discussions with the Ballards about the hotel that they might stay in while in New York City. Thereafter I received a letter with the name "Saint Germain" on it. I did not receive the letter from Saint Germain, it came from Mrs. Ballard—the envelope in which it was enclosed was in her handwriting.

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT NO. 101,

a portion of which was read to the jury by Mr. Lazarus as follows:

"October 3, 1935

"Mr. Max Gysi, Beloved Brother of 'Light':

* * * "Let naught of human creation cause one moment's discord to register within your [99] consciousness or feeling, then you will see how easy it is to release into action the powers of your "Mighty I Am Presence'." * * *

(Signed) "SAINT GERMAIN."

The Witness: I prepared receipts for love gifts received November 8 to 17, and also love gifts and special funds, Boston, October 18 to 27, 1935. I

(Testimony of Max Gysi.)

handed to Mr. Ballard the amounts referred to therein.

Said receipts were received in evidence as Government's Exhibit No. 102, and Mr. Lazarus read from this Exhibit, the second page, "Love Gifts and Special Fund, Boston, October 18 to 27, 1935;" also, the first page, "Love Gifts Received in Philadelphia, November 8 to 17, 1935."

The Witness: That money that I turned over to Mr. Ballard did not include any money from sales of books. I also received on various occasions in various cities enclosed envelopes which I addressed to Mr. and Mrs. Ballard and turned over to them without opening.

I left the I Am Organization on November 21, 1935.

Cross Examination

I am 68 years of age. Since retiring as a bank employee in 1928, I have published books for friends to help them along and also published books under my own name. Prior to the time that Mrs. Ballard showed me some of her manuscripts I don't remember whether she knew of my past experience in publishing or not. She undoubtedly knew that I had done some translating in Europe for a man named Steiner. I may have told them I had been engaged in publishing or editing books since the turn of the century. I prepared certain pieces of literature to be circulated among the students—there was nobody else to do it. When the Ballards suggested that I

(Testimony of Max Gysi.)

take over the business as advance agent in January of 1935, they stated my official title [100] was assistant director. Shortly after accepting said position I commenced to prepare circulars and things of that kind which I submitted to the Ballards. I kept copies for a while but destroyed them a long time ago when I left the movement. I probably kept some of the important ones, that is, important from my view point, to show what information those who read with intelligence through what the thing stands for. It was not because of my disagreement with them that I kept certain documents which I thought would reflect adversely to them. Those I kept I turned over to the postal authorities. One letter, Exhibit No. 100, however, instead of turning over to the Postal Department, I sent to a friend, Mr. Bryan. (Tr. Vol. 5, p. 582.)

Exception No. 25

Q. Why did you send it to him (Mr. Bryan)?

Mr. Lazarus: That is immaterial.

Mr. Cannon: I want to show his interest.

The Court: I will sustain the objection. Exception allowed.

The Witness: I did not read, while I was with the movement, the books "Unveiled Mysteries" and "The Magic Presence." I only read parts to see if my corrections had been heeded. The reason for my not doing so was that I did not have time.

(Testimony of Max Gysi.)

I could not say that I believed in the sincerity of the Ballards up until October, 1935. At the beginning I did. Just when I ceased to believe in their sincerity I don't know. It was a gradual process. During the whole of the time that I acted as assistant director and while love gifts were being taken up by me and being turned over to the Ballards I did not believe in the Ballard's sincerity. I would say I became suspicious when letters purportedly from the Ascended Master Saint Germain contradicted one another, such as saying there would be a class in Chicago and then cancelling it, and then saying there would be a trip to Europe and then cancelling that. When I turned [101] over the love gifts received at Philadelphia in November of 1935, I doubted the Ballard's sincerity. The culmination of my disbelief was on November 30, 1935. Even before I became assistant director for the Ballards I had written some publicity for the Boston group of I Am students.

Thereupon the witness identified a document dated July 28, 1935, as one he had transmitted to the Ballards. It was marked for identification as

DEFENDANTS' EXHIBIT "G"

and the side containing purple ink was received in evidence. The letter was read to the jury by Mr. Cannon, counsel for defendants, as follows:

"Many happy returns of the day. May you be with us for many, many years to help and

(Testimony of Max Gysi.)

to bless all who come within the reach of your wonderful books, your "Voice" and your "Thought Power," San Diego, July 28, 1935, Max."

The Witness: Referring to Exhibit No. 4, on page 319, I don't remember "As our cars entered the roadway leading down, the surrounding walls became flooded with that soft white light" * * * as being part of the manuscript. However, the succeeding portion "We traveled along slowly for about twenty minutes" as I recollect it, has been changed as no time was set forth in the manuscript. The amount of that manuscript that was handed to me by Mrs. Ballard was about 50 to 100 pages. The part I read was not the beginning but the middle of the book, or around page 300, in printed form. I did not look at the printed book to see if my corrected suggestions were made; in fact, the first time I looked was within the last few days in Los Angeles. However, I knew that my suggestions had been accepted as the Ballards told me so. I had nothing to do with the sale or distribution of these books but I arranged for all meetings up until November of 1935. I [102] would publish folders announcing the meetings. I never knowingly inserted any false statements in such folders.

Redirect Examination

I did not receive any set compensation for my services. At first I paid my own expenses but later

(Testimony of Max Gysi.)

when the money came in big amounts I received money for expenses from Mr. Ballard. It was on November 20, 1935, that I reached the definite conclusion that the Ballards were not sincere. On November 21, at 8:30 p. m., I received a letter from Mr. Ballard.

Exception No. 26

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT No. 103,

over the objection of defendants that it had no bearing upon the issues of the case and that it was not proper redirect examination. Exception was allowed.

"Philadelphia, Pa. November 19, 1935.

"To Whom It May Concern:

"This letter is to correct the mistakes made by our assistant director, Mr. Max Gysi. He called our students together for our class work and also explained about the precipitation of stones and a diagram about symbols received by a Mrs. Iola Bernard of Los Angeles, Calif. She and a Mr. Wayne Walker, also of Los Angeles, are claiming to be under the direction of Jesus, and the Ascended Master, Saint Germain.

"Saint Germain was with us in person, in the Visible, Tangible body in Philadelphia, Thursday November 14, 1935, and said:

'Wayne Walker and Mrs. Bernard are not under the direction of Jesus, Myself, or any

(Testimony of Max Gysi.)

other Ascended Master. The Order of Melchizedek having been [103] mentioned in the Scriptures, and the assertion having been made that Jesus was a Priest of the Order of Melchizedek, has given the sinister force an opportunity to seize upon this to get the 'I AM' students attention away from their PRESENCE.

"'THE STUDENTS OF THE 'I AM' MUST BE WARNED DEFINITELY. THE STONES ARE NOT PRECIPITATED STONES.

"'There has been no REAL OUTER ORDER OF MELCHIZEDEK since the time of Jesus. The INNER ORDER of MELCHIZEDEK has only in its members to-day ASCENDED BEINGS AND WILL ALWAYS BE HELD ON THE 'INNER PLANE' because the work of that Order is finished and is being replaced by the 'MIGHTY I AM PRESENCE.'

"'Neither Wayne Walker nor Mrs. Bernard are members of this order and for anyone to say that their work is of the INNER and my work of the outer shows clearly the claw of the sinister force acting.

"'If I had chosen to have formed an INNER group, I could have done so, but THERE IS NO INNER GROUP OF ANY KIND THAT CAN BE HIGHER OR

(Testimony of Max Gysi.)

MORE OF THE 'INNER' THAN THE 'I AM PRESENCE.'

SAINT GERMAIN"

"Mr. Gysi did this on his own responsibility and we do not sanction it in any way nor would we have done so if we had known it. We feel that [104] Mr. Gysi meant well, but WE KNOW it was a mistake.

"If the students want the 'Light,' ITS PROTECTION AND THE ASSISTANCE OF THE ASCENDED MASTERS THEY MUST SHUT THE DOOR TO ALL BUT THEIR 'MIGHTY I AM PRESENCE,' STAND WITH IT AND IN IT AND HOLD TO IT ONLY.

"WE STAND TO, IN, AND FOR THE 'LIGHT' FOREVER and so must everyone who wants the protection of Saint Germain, Jesus, the Ascended Masters, and ourselves.

"MAY THE FULL LIGHT OF YOUR OWN 'MIGHTY I AM PRESENCE' guide you unerringly forever.

"Please hold this in confidence unless the need of the students demand it and in that case read it to them.

"THE BALLARDS

By .....

.....

The Witness: I had met the Mrs. Iola Bernard referred to in said letter.

(Testimony of Max Gysi.)

Exception No. 27

The witness was allowed to state over the objection of defendants that it was immaterial he had first met Mrs. Bernard in Los Angeles at the Shrine Auditorium in about June of 1935. Exception was allowed.

Q. Will you relate to those of us here what you observed with reference to Mrs. Iola Bernard at that Shrine class in June of 1935 in Los Angeles?

Mr. Cannon: Objected to as being wholly immaterial and outside the issues in this indictment, nor proper redirect. [105]

The objection being overruled, the witness testified:

During said class a figure clothed in white walked up the aisle of the Auditorium, went on the stage behind Mr. Ballard, who was then speaking to Mrs. Ballard, and then Mrs. Ballard held up her hand to the mouth of the white figure, whereupon the white figure went back the same way. After the meeting Mrs. Ballard stated that she had received a precipitated jewel or stone, which stone was shown to me. The person in the white figure was Mrs. Iola Bernard. Later, in Boston, Mrs. Ballard asked me to have the jewel put in a setting, which I did. It was set in gold by a jeweler in Boston. Thereafter I described the incident to students and after so describing the incident to students I received from Mr. Ballard the letter, Government's Exhibit No. 103. This was in Washington. One evening Mr.

(Testimony of Max Gysi.)

Ballard said he had been working on letters for the last two evenings. He then handed me as the letter that he had been working on, Government's Exhibit No. 103. At that time Donald came in and said they were going to the movies and I could not again see Mr. Ballard until about half an hour past noon the following day, at which time I told them that I was disassociating myself from the movement. Mr. Ballard asked me to continue but I refused and resigned voluntarily.

Recross Examination

I am not bitter against the Ballards but I am not in communication with them. I do, however, have a feeling against Mrs. Ballard for continuing to deceive the people. (Tr. Vol. 5, p. 618.)

Exception No. 28

Mr. Cannon: In other words, Mr. Gysi, you have a very definite interest in seeing the Government prevail in this case, haven't you?

Mr. Lazarus: If the Court please, I object to that.

The Court: I will sustain the objection. Exception allowed. [106]

The Witness: It was a surprise to me when Mrs. Bernard appeared on the stage that evening. I had not known her and do not know whether she was a friend of a man by the name of Colonel Bailey. I do not know whether I believed it was

(Testimony of Max Gysi.)

precipitated or not. I had never seen a thing precipitated before and only took Mrs. Ballard's word for it. The statement in the letter (Government's Exhibit No. 103) that I "* * * call my students together for our class work and also explain about the precipitation of stones and a diagram about symbols received by Mrs. Bernard" was not a true statement. I called the students in Boston, Philadelphia, New York and Washington to create interest and fill the halls and I had to tell them some corroboration about the I Am movement which in the course of my tour around the world I had discovered. I mentioned people who had the I Am teachings even before the Ballards had it. I mentioned that I had run across fifteen or more people who had the I Am teachings before they came in touch with the Ballards. I only accepted those where I saw with my own eyes in print the date of other publications. Then after I had withdrawn from the platform, particularly one time in Philadelphia, Mrs. Ballard took the platform and stated "We are the only teachers of the I Am." That, of course, was untrue. I had to tell those students interesting coincidents which related to Mrs. Bernard and that was a symbol which I had given to the movement with the wings and the 'I Am' in the center and of the three flames—not from the platform but to groups of students that I assembled in order to give them a pep talk; I showed them a certain document written, I believe in 1923, which

(Testimony of Max Gysi.)

this Mrs. Bernard had had, the same document that I had received for a symbol for the movement for these circulars which I had printed. I do not know where this document is now but it had the same symbol with the wings and the I Am and the three flames and the date was long [107] prior to the time I first heard of the Ballards—it was about 1923. I would not say it was the same I Am movement of the Ballards but it was a similar drawing. I do not remember whether I mentioned the precipitation of the stone at the Shrine Auditorium to these students in Boston and Philadelphia or not. I don't remember whether I furnished Colonel Bailey a list of the I Am students or not. He was made Los Angeles representative by the Ballards. One day in Los Angeles I had asked Mrs. Ballard for a symbol for the movement but she said she did not have one, so that evening I was riding in the trolley and I drew a rough sketch of wings in a heart shape and I Am on either side and three flames in it, and I showed it to the Ballards. Mrs. Ballard asked where I got it. I said I had sketched it roughly. She said "Well, that is the right symbol." I replied that she had told me she had none to give. She said "That is a good one." I then went to Mr. Sindelar and asked him to draw it. Mr. Sindelar wanted to have the original back the following day from the meeting at which the white figure occurred. Mr. Sindelar was not in the meeting so I went on the steps to look for him but a woman came up and said she knew she would

(Testimony of Max Gysi.)

find him. She proved to be the woman in white of the previous evening. I told her I was waiting for Mr. Sindelar to give him back his original sketch. She said she had had the symbol for many years previous. She said she had proof and would bring it the following evening and it was the following evening that she brought the document dated in the early 20's with the rough sketch of this symbol.

I had never seen the sketch before I drew it. I had faith in the I Am movement up until the time I resigned. I did not work for money but for love's sake.

Redirect Examination

At the time I was interested in the I Am I was not [108] otherwise engaged. I had been and was interested in movements of a spiritual kind. (Tr. Vol. 5, p. 637.)

HARRY N. ROGERS,

was called as a witness on behalf of the Government and testified as follows: (Tr. Vol. 6, p. 645.)

I am married, live in Los Angeles, and first met Mr. and Mrs. Ballard in the spring of 1935. I became a member of the I Am movement in April or May of 1935 and continued to be a member until October or November of 1939. My wife, Katherine Rogers, also became identified with the movement. I conducted announcements at the meetings. I first did

(Testimony of Harry N. Rogers.)

this in 1936. My announcements would precede the Ballards speaking at the meetings. At the time I started making the announcements Mr. Ballard stated to me that Mr. David Livingstone had been making the announcements but had not brought in much money and asked me to see what I could do. In the fall I also became associated with the staff. I traveled about with the Ballards from city to city. I discussed with Mr. Ballard from time to time the substance of the announcements that I would make. Mr. Ballard would tell me to stress the sale of one book over another if we were oversupplied with some such books. My announcements covered the general scope of the activity announcing various books and magazines and appealing for funds from those who wished to assist of their own free will to meet financial expenses in connection with the movement and to make radio announcements. I and the Ballards prepared on occasions what was known as "group leader letters." Every such letter I prepared was submitted to Mrs. Ballard in rough form before being sent out. None of such letters were ever sent out without first receiving the approval of Mrs. Ballard. They were sent to group leaders throughout the United States.

Approximately 92 of these letters were marked for identification as Government's Exhibit 104.

In the latter part of 1936 or 1937 in San Francisco at the Sir Francis Drake Hotel in the presence of a group [109] leader, Mrs. Virginia Meyer, tele-

(Testimony of Harry N. Rogers.)

grams from group leaders urging for healing of people in great distress had been received and Mrs. Ballard stated to do the usual thing with them. Then I went back to my room and called to the Great I Am Presence to project the healing rays. At that time I did not see Mrs. Ballard do anything.

On March 13, 1937, a letter was typed at the request of Mr. Ballard which he dictated and which was signed by Mrs. Ballard, myself, P. B. Crouse and E. H. Woodard. Mr. Woodard was an attorney. The signers of this letter had a discussion.

Exception No. 29

Over the objection of defendants that such conversation was hearsay, except as to Mr. Ballard, the witness was permitted to relate the conversation. Exception was allowed. Said conversation was as follows: The conversation dealt with the trip Mr. Woodard was making to Chicago for Mr. Ballard in connection with legal matters.

The letter referred to was marked for identification as Government's Exhibit No. 105.

The Witness: On or about November 29, 1939, I sent a letter to Mr. Ballard from Los Angeles to Washington, D. C. by Air Mail. Therein I enclosed a Cashier's check for $300.

A copy of said letter was marked as Government's Exhibit No. 106 for identification. (This is referred to as Count No. 9 letter.)

(Testimony of Harry N. Rogers.)

The Witness: On or about January 25, 1940, I received a letter addressed to me on the letterhead of the Biltmore Hotel, signed on the typewriter "Mr. G. W. Ballard, Donald Ballard, by Mrs. G. W. Ballard." The letter was signed by Mrs. Ballard. Said letter came to me through the United States mail.

Exception No. 30

Said letter was received in evidence over the objection [110] of the defendants that it was immaterial and irrelevant and no proper foundation had been laid. It was marked Government's Exhibit No. 107 and exception was allowed. This is referred to as Count No. 10 letter. One paragraph from the letter of January 25, 1940,

GOVERNMENT'S EXHIBIT No. 107,

was read to the jury by Mr. Neukom, as follows:

"Mr. Harry N. Rogers,
"Occidental Life Ins. Co.,
"756 So. Spring St.,
"Los Angeles, Calif.

"Dear Harry:

"Having been behind the scenes and knowing something of what goes on, then adding to that the recent experiences we have been thru, we feel you will understand the delay in acknowledging receipt of the two checks you sent,

(Testimony of Harry N. Rogers.)

which represented Love Gifts from your Group, now closed." * * *

By MRS. G. W. BALLARD"

The Witness: On or about July 8, 1936, either Mr. or Mrs. Ballard gave me a letter with the typed name of Saint Germain.

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT No. 108,

and was read to the jury by Mr. Neukom as follows:

"Mr. and Mrs. Harry Rogers,

"My Beloved Ones of the Light:

"I congratulate you both upon the magnificent work done in and for the Shrine Class.

"As you continue to refuse acceptance to appearances and call your 'Mighty I AM Presence' into action will greater and greater [111] be your glory and freedom.

"The Light within both of you is expanding with great speed. Let it never be dimmed by human creation but ever expanding into greater and greater Perfection, your full freedom and achievement."

"Lovingly,

"SAINT GERMAIN."

The Witness: I never received communications signed "Saint Germain" from anyone except Mr. and Mrs. Ballard, that is, typed Saint Germain.

(Testimony of Harry N. Rogers.)

Motion to strike said statement as being a conclusion was made and ruling withheld.

A letter was marked Government's Exhibit No. 109 for identification. This letter was on the stationery of the Benjamin Franklin Hotel, Philadelphia, dated October 31, 1939.

At about this time I had had correspondence with the Ballards at Philadelphia from the Benjamin Franklin Hotel. In this correspondence we commented about my wife Katherine Rogers and Virginia La Ferrera. My wife was no longer in the movement at that time. Virginia La Ferrera, while at one time in the movement, was not in at the time of this correspondence. At that time the Ballards had a Post Office box for Saint Germain Press in Chicago, the number being the same as on Exhibit No. 109. Mr. Sindelar was in the movement at that time. Ratana Hendrickson was in the movement at that time. I received Exhibit No. 109 for identification through the mail.

Exception No. 31

In response to a question as to whether the witness recalled whether the envelope in which said letter was contained had the name of the sender thereon, the witness stated he never received a letter where such name was not on the envelope. [112] Then the following question was asked: "In this particular instance is it your best recollection that the name of the Ballards was contained on the out-

(Testimony of Harry N. Rogers.)

side of the envelope?" The answer was "Yes, sir."

Thereupon defendants moved to strike on the ground that the question called for the assumption of inferences and speculations and that sufficient foundation was not laid. The answer was allowed to stand and exception taken.

The Witness: I had received letters from the Ballards with typing thereon in large and purple type.

Exception No. 32

Over the objection that no proper foundation had been laid, said letter was received in evidence as

GOVERNMENT'S EXHIBIT 109.

(This was the Count 5 letter.) Exception allowed.

This letter was read to the jury by Mr. Neukom, as follows:

"The Benjamin Franklin
"Chestnut at Ninth Street
"Philadelphia
"Oct. 31, 1939.

"Mr. Harry N. Rogers
"353 Van Ness Ave.,
"Los Angeles, Calif.

"Mr. Rogers:

"In continuing your Group, it must be understood that Sanat Kumara, the Divine Director and Myself release all the students from their promise to stand by your Group. That was

(Testimony of Harry N. Rogers.)

only intended to be while you were serving on the Staff of the Messengers.

"Since you are there, you must take the full responsibility in your call to your 'Mighty I AM Presence' for your money supply. [113]

"Not one dime more shall be contributed to Catherine Rogers or Virginia La Ferrera's support by the students. Any student who does this against My Wish automatically dismisses himself or herself from this Light!

"All Love Gifts for the Group Leader's Letter, which will soon be under way again must be sent to the Saint Germain Press, P. O. Box 1133, Chicago, Illinois.

"All Love Gifts for the preparation and conducting of the coming Los Angeles class at the Shrine Auditorium, for the stage, flowers, decorations, expenses, etc. must be handed or sent to the group of individuals selected for that purpose to carry out the direction of Ratana and Sindelars, whom I have selected to take charge of the coming Class in Los Angeles.

"Copies of this letter will be sent to Ratana and the Sindelars. I ask you and them to read it at three consecutive Group Meetings immediately upon your receiving it, so all may understand My Wishes."

"SAINT GERMAIN"

(Testimony of Harry N. Rogers.)

Cross Examination

I did not receive a salary while with the Ballards. During three years of service I did receive a portion of the love gifts amounting to approximately $5,000. In addition, all my expenses of traveling were paid as were also the expenses of Mrs. Rogers, who was a singer. After I ceased to be a staff member in July, 1939, I continued to hold classes and read from the statements in the books and magazines. Sometimes Mr. and Mrs. Ballard, in addition to myself, would say something at the [114] meetings relative to the making of love gifts or voluntary donations. I made the announcement about finances in order to raise funds to promulgate the movement. It seemed to me that the money was used for this purpose. Prior to becoming associated with the I Am I was an inheritance tax expert with the New York Life Insurance Company. Out of the moneys received from the sale of magazines and books, from love gifts and voluntary donations, the expenses were paid of renting halls, publications and the expenses of living of the staff from place to place. (Tr. Vol. 6, p. 697.)

A file of letters was introduced in evidence as

DEFENDANTS' EXHIBIT "H."

These letters, Exhibit No. "H", were written by me, that is, the originals of them, on or about the dates they bear.

(Testimony of Harry N. Rogers.)

The first letter dated February 1, 1937, at Los Angeles, California, marked "Copy" at the top, was read to the jury by Mr. Cannon as follows:

"Mr. Lee Shippey,

"The Times,

"Los Angeles, California.

"Dear Sir:

"When men and women fill the Shrine Auditorium twice daily for ten days, as they did during the period from December 23rd to January 2nd, to listen to a man and woman expound a Law of Life,

"When the desire for seats is so great that the huge auditorium seating some 7,000 people is practically filled an hour before the lectures start,

"When this experience is duplicated in major cities throughout the United States as [115] it has been in San Francisco, Seattle, Cleveland, Detroit, New York, Boston, Washington, D. C., and other cities,

"When nearly three hundred thousand people throughout our land are followers of this teaching which is affecting their lives and that of the nation,

"When these audiences are made up of people who are intelligent, dignified, happy, well-groomed, well-dressed, well-mannered, and from all walks of life,

(Testimony of Harry N. Rogers.)

"When this activity is carried on with no advertising, no publicity, no ballyhoo, no dramatics, no spectacular bids for attention,

"When no money is solicited, no schemes are promoted, no politics indulged in, and no propaganda is offered against any individuals, creeds, sects or political parties,

"When this activity is ever-expanding and self-sustaining, yet has no organization, no by-laws, no membership, no dues, no committees, and no officers,

"When thousands in Los Angeles and vicinity gather together every week to study and practice its teachings,

"Then it is time that our city and the country and the world knew more about it.

"I have attended the meetings and found the general atmosphere one of happiness, prosperity, kindliness and reverence. [116]

"The talks and activities engaged in are of a nature that commands the utmost respect whether one conforms or not.

"The ideals stood for, the ideas put forth, and the teachings of the speakers are based on a code of such high standing that they cannot be challenged by anyone on the grounds of morals, ethics or patriotism. In fact, I have never heard precepts of such integrity and demands for such personal purity advanced by any other group.

(Testimony of Harry N. Rogers.)

"Quiet, profound, dignified, sincere determination characterizes the whole proceedings, and it is a movement to be definitely reckoned with in the future of our land.

"To you whose column has ever stood for all that is fine and who have always shown interest in activities that are an influence on the public life of our city and Nation, and yet outside the routine news channels, I call attention to this movement.

"This is no effort on my part to convince, convert or proselyte. I simply say to you, 'Here is something going on in our world that is an increasingly important activity for its betterment. Watch it! Learn about it! And contact its leaders, Mr. and Mrs. G. W. Ballard, who are two of the most astounding personalities of our day.

"They are at present holding a ten day class at the Scottish Rite Cathedral in San Francisco from January 23rd to February 6th. [117]

"The 'Times' Sunday Magazine on May 22, 1932 had an article about a mysterious people who live near Mt. Shasta. Mr. Ballard's experiences as related in his book 'Unveiled Mysteries' (Pen name Godfrey Ray King), also had their inception at that point.

"If this is interesting to you and you care to look into it further, you will find much to reward your time.

"Yours very truly,"

(Testimony of Harry N. Rogers.)

I wrote the notation at the bottom of said letter of February 1, 1927, as follows: "This is a copy of a letter sent to the 'Times' by a business man who attended the Shrine Class to investigate for himself the 'I AM' Activity, and his findings."

The next letter in this group, dated October 21, 1939, was read to the jury by Mr. Cannon as follows:

"353 North Van Ness Avenue,
"Los Angeles, Calif.

"Mr. Stack, Manager
"Care of Women's Club,
"57th Street near Ninth Avenue,
"New York City, N. Y.

"Dear Mr. Stack:

"You will remember me as being on the staff of Mr. and Mrs. G. W. Ballard. I happen to be the husband of Catherine Rogers, who was the soloist for them at the musical held in your auditorium last Spring and a year ago.

"I understand that Mrs. Rogers wrote you a letter in which she says she resigned from the staff of Mr. and Mrs. Ballard and other things in her attempt to prevent Mr. [118] and Mrs. Ballard getting the use of your auditorium. Will you believe me when I tell you that she was dismissed absolutely, by the Ascended Master Saint Germain, from having anything more to do with this magnificent Activity, because she

(Testimony of Harry N. Rogers.)

turned so bitter toward Mr. and Mrs. Ballard and would not do the things which He was teaching us all to do to rise out of the conditions of today.

"Mr. and Mrs. Ballard are carrying on the most magnificent Activity ever known for the Freedom and Protection of America. I am back of them with every ounce of my ability. They are endeavoring to carry on the most gigantic endeavor ever brought forth, in order to teach the American people that the ONLY way out of these frightful conditions facing the very existence of all mankind, is to call to a Power far above the human, the Ascended Masters, in the way that under the Cosmic Law permits Them to come to our rescue. About three million or more of the finest people in our land are applying this great Law, which will outpicture ere many months in the most startling manner.

"It is very unfortunate that because of lack of control of her feelings and personal human retaliation, Mrs. Rogers should do this. I ask forgiveness for her. I ask your assistance to Mr. and Mrs. Ballard in showing them every courtesy at your command. America needs them as no other two people, you will find out in [119] the months ahead. I would appreciate it very

(Testimony of Harry N. Rogers.)

much if you would be kind enough to send me a copy of Mrs. Rogers letter to you.

"Thanking you,

"Sincerely,

"HARRY N. ROGERS."

The next letter in this Group, dated December 21, 1939, addressed to Mr. G. W. Ballard, Biltmore Hotel, Los Angeles, was read to the jury by Mr. Cannon as follows:

"Dear One:

"Just a note to send you, Lotus & Don & all, my love and greetings. I call for your Invincible Protection and Supply many times each day, & that such Harmony can be maintained at the Shrine class that Saint Germain & others can step through to prove to all the students the truth & reality of the wonderful message you have been carrying to all mankind.

"It has been my happiness to render a service on various occasions to the Light since my termination. It has spread everywhere that even though Harry was dismissed he is just as loyal as always & does all he can to hold all the students in line, & to remain loyal to Saint Germain, to you & this Great Light. This stand has prevented a number of things from taking place in different parts of the nation. I have had no meetings of any kind, so no student would be

(Testimony of Harry N. Rogers.)

tempted to be around me, nor have I sought contact with anyone. When they have contacted me, I have turned them right back to this Light, [120]Saint Germain & urged them to be even more loyal to you blessed ones than ever before.

"Needless to say I would like to have a few minutes with you while you are in Los Angeles. Knowing how rushed you are before classes I have made no attempt to reach you, as I would not intrude on you for anything. When and as we might be able to get together, it would be best to drop me a note care of Occidental Life Insurance Co., 756 So. Spring St., addressed:—Harry N. Rogers, Agent, & they in turn will see that it reaches me. Oh, for the day to come when there can be no more human qualities acting in anybody, so no misunderstanding can ever take place between any of God's children!

"Dear One, I love you & bless you for all you have done. May the Infinite Blessings of Eternal Light drench you, blessed Lotus, Don, Margery, the staff & all those who are carrying on now & forever.

"Always in the service of the Light——

"HARRY

"Merry Christmas!"

The next letter in this Group, dated January 10, 1940, addressed to Claire Dickey, Child of Light—Crusader of Old, was read to the jury by Mr. Cannon as follows: (Tr. Vol. 6, p. 707.)

(Testimony of Harry N. Rogers.)

"Bless your precious, darlin' heart for the beautiful letter which has just reached me. Oh, what a Happy New Year it makes for me! And that generous love gift! I call to the Great Giver to amplify it ten million times [121] and put it into your hands and use RIGHT NOW and FOREVER to give you such limitless supply and Perfection of every good thing you will not have room to receive it!!!

"Dear One, you have no idea what your letter means to me at this moment! How little I imagined that ANY student was even giving me a thought. And I have stayed away and avoided my closest friends to help them to be obedient, going in channels where there were no students. But morning and night, I stand on my feet and call, and call and call for the Protection, Perfection and Limitless Supply for All the students all over the planet! and particularly for Mama, Daddy and Don, and all their near and dear ones! And to think that Blessed Daddy is Ascended now!!! FREE, FOREVER FREE from all earth's hardships and unhappiness!!! I keep my love pouring to him in a mighty stream that NEVER stops. And the last thing I did when my great groups were being disbanded was to have everybody stand on their feet and issue a wondrous call for Mama, Daddy and Don, for all they have done for all mankind down through the ages past and present.

(Testimony of Harry N. Rogers.)

That Great Call will go on FOREVER in action for their blessing. I urged everyone to remain loyal to Mama, Daddy and Don, and Saint Germain, and not to let any human sympathy for any person sway them for the fraction of a second, and urged them to go at once to other Groups as if nothing had changed whatsoever. [122]

"Yes, dear one, I AM still loyal to Saint Germain, and the Messengers and the Light—and whenever anyone comes to see me, or write to me, or phone to me, I turn them right back into the LIGHT. I have gone back into the insurance business where I had been for 17 years before entering the 'I AM' Activity. Had I remained in the business for the past 3 years, completing 20 years of service, I would have received a MONTHLY INCOME FOR MY ENTIRE LIFETIME—but I ever gave that up to serve. Now I have the Joy and opportunity to start in right at the very bottom again without one single regret, and only love and gratitude in my heart for everybody and everything! How happy it makes me to know you are so loyal to Saint Germain and the beloved Messengers. Keep it up! You bet your boots I am teaching the kiddies about the 'Presence' and you should see my little Celeste (age 6) and I in our morning Contemplation! What a sur-

(Testimony of Harry N. Rogers.)

prise it would be to a lot of even the students. Dear One of Light, bless you forever for your sweet letter of encouragement and love gift! May the Infinite Blessings of Eternal Light be yours NOW and FOREVER! Sincerely in the Light,

"HARRY N. ROGERS."

The next letter in this Group, dated February 6, 1940, addressed to Mrs. G. W. Ballard, Biltmore Hotel, Los Angeles, California, was read to the jury by Mr. Cannon as follows: (Tr. Vol. 6, p. 710.) [123]

"Dear One:

"Among other things it has been told me that certain 'I AM' students have spread the report that Harry Rogers has turned bitterly against the Activity and the Messengers. It sounds so silly it hardly is worthy of any comment. But the thought came it might be nice to let you hear direct from me so you would know first hand EXACTLY what is what. Also it is said that we have had meetings in our own home projecting suggestions against the Activity, etc. etc. It actually makes me laugh it is so funny.

"Since the last meeting of my Wilshire Group, Nov. 12, '39 I have NOT had a meeting of ANY kind! Hundreds pleaded with me to start a Class of my own. I rejected every plea!

(Testimony of Harry N. Rogers.)

and made it very plain that I had no such intention, and would remain just as loyal to this Light, to Saint Germain and you blessed Ones as theretofore. I pleaded with all the students to do the same—and still do! I pleaded with them to go at once to Ratana's Temple, the Sindelar's, Frank Lanning's or wherever they felt most at home, and to lose no time in doing it, and still do!

"Many things had to be done that seemingly were not easy to do. In my call to my 'Mighty I AM Presence' I have tried to do the thing that seemed right at all times, and still do! Several times each day I call to be shown by my own 'Presence' exactly what I should do [124] to help straighten out any unfinished affairs that concern the Activity in any manner whatsoever. I know that I will be shown—and it will be done!'

"In order to disabuse any students clinging to me with even their deep love as to my real intentions, I plunged into business and have let everyone know I have no time to discuss even things that were not easy to understand. Many letters have come to me, and still do, from all over the nation, and outside Nations, asking me what they should do, etc. etc. My answer has ALWAYS been to stand loyal and faithful to this Light, Saint Germain, and to you, Daddy and Don, and to not let anything swerve them

(Testimony of Harry N. Rogers.)

for the fraction of a moment! Such letters still keep coming. Attached is a carbon copy of my answer to one such letter. You may read it, and see EXACTLY what sort of a letter I generally write. My attitude apparently prevented several law suits against you and Daddy for which I rejoice.

"One day, some four months ago, Catherine met Bryan in the market. We have known him for many years in the Rosicrucian days. He was preparing another book against you, Daddy and the activity. She had quite a talk with him and apparently persuaded him to NOT publish the book. It has never come out, and I believe and hope it never will. Obviously you do not know these things that both of us have tried to do to help this Great Cause in whatever humble way we could. [125] So when we hear these silly reports about us, you can imagine how funny it is to us. It is possible the report concerning myself got started because I would always avoid the students at every possible opportunity—but I did this trying to help them to be obedient—the same as Catherine did. There are many things which could be written, but this is enough to let you know direct from me EXACTLY what is what!

"A few days ago I came across the checks which Catherine and I made out on June 22, 1938 in our hope that we could make a sub-

(Testimony of Harry N. Rogers.)

stantial Love Gift to the Saint Germain Press and you and Daddy. Each check was for $2,500, each written out exactly as if to be paid, the way you and Daddy used to do. Well, 'I AM' the Presence of Limitless Supply of Money and Every Good Thing that sees to it those two checks ARE paid, RIGHT NOW! So, please accept with all the love of our hearts $5,000 en route to you RIGHT NOW! Who knows how soon it will appear! At least, you see the intention and Love that is in our hearts! We also made out a check of $1,000 to the Wilshire Group. Though the Group is no longer in existence, I shall see to it, that those checks of $2,000 are paid into the Activity along with the checks to you! What a happy day that will be for us all!

"Dear One, may the Limitless Gifts of Eternal Light from the Great Central Sun flood you, Daddy, Don, and all your near and dear ones [126] with such Limitless Opulence of money and every good thing that you have not room to receive it, now and forever! With the deepest love of my heart, to you, Don, Margery, and all

"HARRY N. ROGERS."

The Witness: The total amount of money I put into the movement was not $500; how much I do not know—we gave everything we possessed. I gave

(Testimony of Harry N. Rogers.)

up a position which would have given me a life income for the rest of my days. We took 10 per cent of the gross to give to them of everything we took in and out of the $5,000 or so that they gave us over the three years, we gave back 10 to 40 per cent. They said they were giving their all into it so we thought we would do the same. I thought they were giving their all to it. Those two $2500 checks referred to in a letter were never paid. In one of these letters when I referred to the phrase "I called to the Mighty I Am Presence" I meant a call, silent or verbal, to God, who I understood to be the Mighty I Am Presence. When I made out the checks for $2500 each and sent them to the Ballards I expected that money would be available to pay them sooner or later because one of the teachings of the Ballards was that when they were without funds they often did this and with only one exception the checks were all paid over a period of years. In other words, it was through faith. I intended this $5,000 to be used to carry on the activity. I had very little other income than I received from the Ballards while working for the movement.

As part of said same Exhibit "H" the witness testified he wrote a letter dated February 2, 1940, which was also read to the jury by Mr. Cannon as follows: (Tr. Vol. 6, p. 723.)

(Testimony of Harry N. Rogers.)

"506 N. Plymouth Blvd.
"Los Angeles, Calif. [127]
"Feb. 2, 1940.

"Blessed One of the Light:

"This is the first opportunity that I have had to answer your letter of Jan. 26. In answer to your inquiry 'Is the 'I AM' the right way, the real way?' my answer is unequivocably 'YES.' By all means stick to it for dear Life and to the 'I AM' Activity, and please back up the Study Groups and Mrs. Ballard and Don in every way you can! I plead with you and your husband to do this!

"The mere fact that the writer is no longer directly connected with the Activity openly, does not mean that he is any less loyal or sincere than at the very beginning. As a matter of fact, I am just as earnest and sincere to try to do my part now as at any time in the past, as thousands have found out already, regardless of some silly reports that have been spread.

"I believe with all my heart that Mr. and Mrs. Ballard have told the absolute Truth about the Ascended Master Saint Germain being back of them and the 'I AM' Activity. I take the attitude that while certain things are not easy to understand nevertheless Saint Germain knows what is best, and I am willing to comply with what He says. It has been my very great pleas-

(Testimony of Harry N. Rogers.)

ure to help hold hundreds of students in line the past few months. While the writer hopes to see Saint Germain some day the same as you do, he keeps faith because of a deep Inner Conviction that it is all TRUE, exactly as the beloved Messengers have represented. And unknown to them, both Mrs. Rogers and myself have rendered several services which may [128] have had far reaching effects for the Activity. One day Mrs. Rogers met Bryan in the market, and having known him in years past, she persuaded him to discontinue his efforts to put out another book against Mr. and Mrs. Ballard and the Activity which was then in the process. This was about four months ago.

"Surely, dear ones, if we do such things as these, it should encourage you to 'stick by the ship.' I believe by a deep Inner Conviction that Mr. Ballard did make the Ascension, exactly as Mrs. Ballard describes. Comments of people to the contrary do not interest me the slightest. I make my daily application every day, as in the past, and NEVER fail. I never lose an opportunity to let the whole world know that I am just as loyal to them, to Saint Germain, and the 'I AM' Activity as in the previous years. I urge both of you to be faithful too, believing you will have ample reason to rejoice. With my heart's deepest love,

"Sincerely,

"HARRY N. ROGERS."

(Testimony of Harry N. Rogers.)

The Witness: As long as I was with the Ballards they never told me that Saint Germain communicated with any other persons than through them. I never heard the Ballards or either of them say that they had the power to heal. Essentially the whole idea was predicated upon the theory that one must call upon the Mighty I Am Presence to project on them the healing ray and make them well. I believed this and still do.

Redirect Examination

I read all the books put out by the I Am movement and all the magazines up to the time I left the movement. When I [129] wrote the letters contained in defendants' Exhibit "H" I believed the principles enunciated in said books and magazines and in the teachings of Mr. and Mrs. Ballard. When addressing some of the meetings I, on many occasions, read from the letter containing comments about the Shrine Auditorium. I still believe in the spiritual truths that were taught. When I was dismissed from the movement in November of 1939 I received a dismissal letter, that is, a telegram with the typed name "Saint Germain." Since then I have not talked with Mrs. Ballard. My wife was dismissed in the latter part of June 1939. Though I remarked in one of my letters about the ascension of Mr. Ballard, I did not see the ascension but read about it in the magazine "The Voice of I Am."

(Testimony of Harry N. Rogers.)

Recross Examination

I took the ascension of Mr. Ballard for granted. I believed it. I believed the statements contained in the letter referred to, the men who wrote comments about the Shrine Auditorium, but they were a little exaggerated. Nevertheless, I gave them out to the meetings as bona fide.

Redirect Examination

I was not present at Mr. Ballard's last illness nor did I attend his funeral.

MRS. MARGARET HUNTLEY SCHALL

was called as a witness on behalf of the Government and testified as follows: (Tr. Vol. 6, p. 742.)

I live in Merwyn, Maryland. I am the widow of the late Senator Thomas D. Schall from Minnesota. He was known as the "blind" Senator. I met Mrs. Ballard in November of 1935 during classes in Washington. Prior to that time I had heard of the Ballards through a leaflet coming in Mr. Schall's mail. At this meeting the first thing that came to my attention, Mr. Ballard blessed the pocketbooks of everyone present with the supply [130] of money that was to be never absent and never too late. Then Mrs. Ballard said that if you would follow the teachings in the books and faithfully perform the advice given you would be able to heal blindness, deafness,

(Testimony of Mrs. Margaret Huntley Schall.)

amputated limbs could be restored and any affliction of any internal organ could be cured. After class I talked to Mr. and Mrs. Ballard. I told her that Senator Schall had been blind for many years and asked her what to do. I told her I knew nothing about it except what I had read in the two books. She told me to visualize a ray of light from His Mighty I Am Presence down through the top of his head and turning at right angles and going to his eyes and that this would cure his blindness along with his attendance at classes and reading the books and following out the doctrines in the books. I attended additional lectures in 1935 in Washington, D. C. Dictations were received while I attended the meetings. Mrs. Ballard explained them as a natural proceeding, saying they were letters of light flashed by the Ascended Masters before Mr. Ballard's eyes and he read them. (Tr. Vol. 6, p. 746.)

Mr. Lazarus read portions from Government's Exhibit No. 29 "The Voice" magazine September, 1937 issue, at page 21.

Mr. Lazarus then read from "Ascended Master Light", Government's Exhibit No. 8, at pages 86 and 87. The heading of the excerpt was "Cyclopea's Discourse, New York City, New York, October 10, 1937."

The Government then by stipulation read a portion of Government's Exhibit No. 48 for identification, being an excerpt from "The Voice" at page 14. It was a dictation of the Beloved Master Jesus

(Testimony of Mrs. Margaret Huntley Schall.)
given in the I Am Reading Room, Oakland, California, February 15, 1939.

The Witness: My husband and I began reading the I Am books in October and on the 21st of December (1935) he was struck by an automobile and passed away. We had followed the teachings [131] contained in the books in an endeavor to cure the Senator's blindness. The Senator was not cured of his blindness. Thereafter I continued to follow the Ballard movement through various cities of the country. I moved from Washington, D. C. to Minneapolis, Minnesota, and then to Los Angeles, California. Mrs. Ballard had suggested during her class that when the ascended masters took over at the incoming golden age which was past due, that Los Angeles would be the city of Light, the new Jerusalem, and it was already in form over Los Angeles and ready to be lowered into place, the buildings and everything completed.

The Government then read into evidence from Government's Exhibit No. 15, an excerpt at page 15 from "The Voice" magazine, part of the discourse given by the Great Divine Director in Los Angeles, June 17, 1936. [132]

Exception No. 33

The books and magazines previously marked for identification as Government's Exhibits 6, 7, 8 and 10 to 64, inclusive, were received in evidence over the objection of the defendants that they were im-

(Testimony of Mrs. Margaret Huntley Schall.)

material. No objection was made by the defense that said books and magazines were those of the I AM movement and had been properly identified. Exception was allowed.

The Witness: I moved to Los Angeles on January 2, 1937 and remained until June of 1938 just before the Shrine class. My association with the Ballards continued from October 1935 to June 1938. During my association with the Ballard organization, I attended classes at Pasadena, Long Beach, Hollywood, Glendale, on Figueroa Street, the Wilshire Group, and a small number of neighborhood groups besides the Shrine classes. I attended these meetings practically every afternoon and evening, sometimes Saturdays and always Sundays. I contributed money as love gifts during my attendance, except at the first class. There were both classes and group meetings. The Ballards would talk before group meetings but the group meetings were designated by the names of the group leaders. The class meetings were conducted by the Ballards in different cities. The substantial contributions that I made were $100 in March of 1937 to the Pan Pacific class in San Francisco; then $100 to the Shrine class in June; at Washington I gave $100 and $50 for my daughter. I sent $250 by mail to a class in Kansas City. From the first, precipitation was one of the subjects talked about by Mr. and Mrs. Ballard. All these representations made by the Ballards were substantially the same.

(Testimony of Mrs. Margaret Huntley Schall.)

Voir Dire Examination by Defendants

When the Ballards spoke about precipitation sometimes they read from articles, particularly from thirty-three dictations from Saint Germain in which the subject was discussed.

Direct Examination

Mr. Lazarus read from Government's Exhibit 5, Discourse [133] No. 10 of Saint Germain, dated November 3, 1932, pages 118 and 119.

The Witness: Referring to Discourse No. 10, at pages 118 and 119, in Government's Exhibit 5, I do not know whether Mrs. Ballard read this or not but I have read it over thirty times. Mrs. Ballard said that through precipitation it was quite possible to keep spots off of clothing; that she always wore light gowns and called on the Mighty I Am to keep the spots off. Mrs. Ballard also said if you want money, jewels or an automobile, or whatever you want, the Mighty I Am Presence will give it to you. Mrs. Ballard also said that if you looked into the atmosphere on a bright day you would see sparkles of light. She explained that that was the substance the Ascended Masters used to precipitate, such as jewels, diamonds, a pearl necklace, a diamond necklace, a full banquet with dishes and food and tablecloths of great fineness. Many times these precipitations were expounded as real and actual. From 1935 up to 1938 I accepted the teachings with increasing belief as I came to understand them. To

(Testimony of Mrs. Margaret Huntley Schall.)
the best of my ability I followed the precepts. I read all the books published by Saint Germain Press, Inc. up to the time I left the movement and also the magazines. I spent all my time from arising to retiring in connection with the movement. I spent the mornings reading and decreeing the books and publications. I recall reading in the books and magazines that it was just as easy to precipitate $10,000 as 10 cents; also, that if you want money, then follows a decree to precipitate money. If you want health, then follows a decree for health. I actually believed that I would be able to accomplish physical precipitation. Mr. Lazarus read from the foreword and the first chapter of "Unveiled Mysteries", Government's Exhibit 89. (Tr. Vol. 6, p. 775.) Representations concerning the same caused me to buy the various books of Saint Germain Press and caused me to remain in the I Am move- [134] ment and contribute love gifts. During my association with the movement the Ballards made statements to the effect that the various books and magazines conveyed the understanding of the movement and that it was essential that the students have these books in order to attain freedom and ascension. I recall reading in "The Voice" magazine, February 1936 issue, Government's Exhibit 10, the discourse given by "Jesus the Christ", at page 9 thereof. Pages 7, 8 and 9 of said exhibit were read by Mr. Lazarus. I have heard the Ballards mention that the ascended masters appeared physically, vis-

(Testimony of Mrs. Margaret Huntley Schall.)

ibly and tangibly so that students could see them. Mrs. Ballard said that as soon as the students attained sufficient harmony in their feelings that the ascended masters would come forth in their physical bodies; that Jesus wanted to come forth just as badly as the students wanted to have Him. She stated many times that Saint Germain came before the Ballards in a visible and tangible body and walked the streets of this or that city. She said at class the masters were liable to come forth at any time.

Exception No. 34

Government's Exhibit 104 (contained in a black looseleaf binder) for identification was received in evidence over the objection of defendants that it was not binding upon any of the defendants and on the ground that it was immaterial. The objection to foundation was waived. Exception was allowed.

Exception No. 35

Over the objection that the document spoke for itself and that it was calling for a conclusion and was argumentative, the witness was permitted to testify that the dictation given by Jesus as contained in Group Leaders' letter of December 19, 1937, page 2 of said Exhibit 104, contained language exactly the same or similar to that which she had testified to concerning the appearance of ascended masters in their visible, tangible form. Exception

(Testimony of Mrs. Margaret Huntley Schall.)

was allowed. Mr. Lazarus thereupon read from said [135] page 2 of Group Leaders' letter of December 19, 1937.

The Witness: Mrs. Ballard explained the failure of ascended masters to appear was due to lack of harmony and feeling of the students.

During my association with the movement I purchased three of the Saint Germain Press books in Washington and a small book called "I Am Affirmations and Adorations". In Minneapolis I purchased a number of such to give away; also, a set for a group in Minneapolis; and then I subscribed to the magazines that were sent by mail. In California I purchased each group as it came out. I purchased one set for myself and one for my daughter. I purchased the autographed book at San Francisco and I gave away many separate volumes. I mailed a set to a friend in Mississippi. I had a pile of all publications of the magazine which I gave away to people who came to the door. The Ballards stated the more that were given away the quicker would come the freedom and protection of America.

Mrs. Ballard said not to lend the books because the radiation of another person might affect them. that if one wanted to lend books, to have a separate set for lending. I paid the full purchase price for all these books. The first small book was $1.00 and the remaining books were $3.75. The autographed book was one autographed by Mr. Ballard after

(Testimony of Mrs. Margaret Huntley Schall.)
Mr. Rogers stated that Saint Germain had given Mr. Ballard permission to autograph new books so that the radiation would be pure. Mr. Rogers stated that he could not waste Saint Germain's strength on having the small books autographed. While Mr. Ballard was autographing the books, a little girl came with a small book and Mr. Vonderhoya said something to her and the little girl hugged the book and walked on down the line and Mr. Ballard took it and looked at the book and the little girl and signed it. (Tr. Vol. 6, p. 825.)

During my association, the Ballards referred to [136] cataclysms. At a Washington class an evening was devoted to showing pictures of discarnate entities and ascended masters; then a flat map of both hemispheres showing the path of gas belts that had caused previous cataclysms and was endangering the present world. A portion of it, shaped like a bear, went over Europe and Mrs. Ballard said that this was the cause of conditions in Europe at the present time. She said that only the calls of the I Am students kept this vortex from spreading over America. She said the gas belts were the accumulation of the discordance energy created by bad and evil thoughts; that they gathered beneath the earth and discord on the earth would cause them to come bursting forth. Again, in San Francisco Mr. Ballard said that before the Messengers came to San Francisco the city was in great danger; that a tidal wave was due to burst upon the western coast

(Testimony of Mrs. Margaret Huntley Schall.)

and calls of the I Am students stopped it. Then Mr. Ballard said that the Great Divine Director had said that the golden age must come in even if it must be preceded by a cataclysm. Numerous references were made from the platform and from the books and magazines by the Ballards that there was an imminence of a cataclysm. These things relative to cataclysm that I heard are the same in substance to the article in Government's Exhibit 29, September 1937 issue of "The Voice", at page 3, headed "Saint Germain's Discourse, San Francisco Class". Mr. Lazarus read therefrom.

The Court addressed the jury as follows:

"Now, gentlemen, here is the issue in this case:

"First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that [137] might seem highly improbable.

"I point that out as one of the many statements.

"Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote

(Testimony of Mrs. Margaret Huntley Schall.)

or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this court.

"The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

"If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty.

"Therefore, gentlemen, religion cannot come into this case. I want to assure Judge Armstrong and the defendants and the Government that it will not be permitted to come in.

"Now, we take up the third point, so there is going to be no misunderstanding so far as the Court is concerned.

"No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were. And the defendants, I assume, from counsel and counsel's statements with reference to the books and pamph-

(Testimony of Mrs. Margaret Huntley Schall.)

lets, have not so far withdrawn a single word of what they have written or what they have preached. The defendants, so far as I can gather it from the case, although they haven't started to put it in, are standing on [138] the whole—not program, but the whole conception (I think that is a better word)—the whole conception of their relationship with the deity or, as it is used here, with the I Am Presence.

"Now, gentlemen, that is going to be made so clear to this jury that they are not going to misunderstand it. And that is the whole case.

"Now, of course, gentlemen, the degree of proof, burden of proof beyond a reasonable doubt and the fact the defendants are clothed with the presumption of innocence which stays with them during the trial and all of those different principles of law will be covered more completely and thoroughly in the Court's instructions to you at the conclusion of the trial. So that what I have said now, if you will please bear it in mind and carry it into the instructions, a part of which may be repeated, but don't isolate this from the instructions."

The Witness Mrs. Schall Continued: During my adherence to the movement, the Ballards from time to time stated that the black magicians were persons who had made a study of the law of life to such an extent that they were very dangerous when they strayed from the path; that they had powers and physical bodies and were living on a physical plane

(Testimony of Mrs. Margaret Huntley Schall.)

and were able to do a great deal of harm. In the early part of 1936 Mr. Ballard stated that Saint Germain said that the last of the black magicians had been seized, bound and removed. Thereafter Mr. Ballard stated in San Francisco that the night before 53 black magicians had been seized, bound and removed and that Mrs. Ballard had been present and witnessed the seizing, the binding and the removing. Then again Mr. Ballard said that a dictation had been given by Astrea to the effect that the preceding evening a black magician was seized, bound and removed who was responsible for the discord among Christian Scientists; that this last dictation was the same as contained in Government's Exhibit 8 ("Ascended Master Light"), at page 139. Mr. [139] Lazarus read therefrom. There was one further reference by Mr. Ballard in a Pasadena dictation before the Ratana group in which the Great Tenor said that last night a black magician was destroyed in Pasadena, who was responsible for the dope condition. (Tr., Vol. 7, p. 844.)

During the period of my association with Mr. and Mrs. Ballard they stated that Mr. Schall's blindness could be healed. At the first class in Chicago that I attended Mrs. Ballard stated that they had boxes of letters in their files in Chicago testifying to healings. Many times I heard the Ballards make a statement similar to that contained in Government's Exhibit 55, November 1939 issue of "The Voice", a Discourse of the Beloved Master

(Testimony of Mrs. Margaret Huntley Schall.)

Jesus, dated October 1, 1939, at page 12. Mr. Lazarus read therefrom.

I recall them stating that Jesus had said that the "Messengers in their call had performed thousands more healings than I performed during My ministry." Statements were made similar to that contained in Government's Exhibit 47, the March 1939 issue of "The Voice", a Discourse of the Mighty Victory, contained on pages 6 and 7. Mr. Lazarus read therefrom.

During the time that I had association with the Ballard movement I did not observe any healings which had been made at the call of the messengers. In San Francisco, Mrs. Ballard made the statement that Mr. Ballard's I Am Presence was alert all the time and healings called for in letters would be performed before the letters arrived; that frequently they had received letters saying that the healing was performed before they had had time to get an answer to their letters. At the same meeting, Mr. Ballard told of a woman with a cancerous growth in her throat who came to him and asked him to heal her, and he stated that in his presence this cancerous growth dropped down in her throat and disappeared.

I was present in the Shrine Auditorium in Los Angeles [140] in January of 1938. Donald did not take his customary seat. Mr. and Mrs. Ballard were on the platform, the group was large—the whole downstairs was full. Toward the end of the

(Testimony of Mrs. Margaret Huntley Schall.)
meeting Mrs. Ballard arose and said "Donald and Margery have been kidnapped." Hysteria and pandemonium broke loose. One of the group leaders, Frank Lanning, leapt to his feet and cried out "Saint Germain, protect your pal." Prior to that time I had heard Donald referred to as Saint Germain's little pal. Mr. Ballard said, "Saint Germain is on guard." Then Mrs. Ballard called on the multitude to give a decree to kill the kidnappers. I stayed after the meeting until a cream colored car drove in with Donald and Margery without a hair disturbed, and I heard one of them say the car had stalled. The next day on the platform I heard Mr. Ballard say that Saint Germain had purposely stalled the car to prevent the kidnapping. Thereafter, I heard a group leader's letter read containing a description of the stalling of the car to keep the kidnappers away.

The witness then identified a group leader's letter dated January 7, 1938, as part of Government's Exhibit 104, pages 2 and 3, as being the group leader's letter that she had heard read. Mr. Lazarus read therefrom.

When I first read the following portion of "Unveiled Mysteries",

> "* * * I wish to say that these experiences are as real and true as mankind's existence on this earth today and that they all occurred during August, September and Octo-

(Testimony of Mrs. Margaret Huntley Schall.)

ber of 1930 upon Mt. Shasta, California, U. S. A.",

I did not believe it but I put that aside until I had read more of the book, and after I had read of Mr. Ballard's fight with the leopard or other wild animal, I was inclined to believe.

After attending the first meetings, and the first group meetings and attending classes I accepted the book as the true [141] adventures of Guy W. Ballard.

I believed the contents of the book "The Magic Presence". It was my belief in the truth of the various portions of the forewords of the two books that caused me to purchase them and the remaining books in the series of the Saint Germain Press, Inc. I never doubted that by proper devotion I would be able to physically ascend on my death and it was partly on that belief that I continued to purchase books and to make love gifts. I believed that the Ballards spoke with Saint Germain and other ascended masters in their visible, tangible bodies and that they were made the only messengers in the western world and in part those representations caused me to continue to purchase the books, make love gifts and pay for transcriptions.

I believed that I would learn to actually precipitate tangible objects and that belief led me to purchase the books, continue to donate and make love gifts to the Ballard movement. I heard Mrs. Bal-

(Testimony of **Mrs. Margaret Huntley Schall.**)

lard make the statement that pillars of light would be established in Los Angeles and other places and that these would be sanctuaries in time of cataclysm where the I Am students would be safe. I believed that statement and it caused me to continue to attend the I Am meetings and contribute love gifts and buy books. I believed that by constant study of the I Am movement the Ascended Masters would appear before me in their visible, tangible and physical bodies and these beliefs also caused me to continue to study the books, buy the books, attend classes and contribute love gifts. I believed that by constantly studying the books and following the teachings of the movement that I could learn to heal myself and others, as could the Ballards, and this caused me to continue to buy the books and to contribute love gifts. (Tr. Vol. 7, p. 866.)

Mr. Cannon read from Government's Exhibit 5, ("The I Am Discourses"), pages 63 to 68. [142]

Cross Examination

The Witness: Before contacting the Ballards, I read the two books, "Unveiled Mysteries" and "The Magic Presence". I got these books in the Congressional Library in Washington. Mr. Schall had been blind for 27 years. He was 25 when the accident occurred. The principal reason for attending the first Ballard class in Washington was that the leaflet that came to the office stated that the accredited messengers of the ascended masters were shortly to give a discourse on the

(Testimony of Mrs. Margaret Huntley Schall.)

right way to live and it referred to things in which I was interested, so I watched for their coming. Mr. Schall had been to a number of orthodox doctors but they could do nothing for him, saying that the optic nerve had been exploded, but we always had hope. And I dabbled in theosophical subjects before coming in contact with the Ballards. We had tried Christian Science early when Mr. Schall was losing his eyesight. The Christian Science organization said that one had to go around saying that he could see and there was a rumor all over Minneapolis that Mr. Schall could see but he did not regain his eyesight.

I don't recall the name of the man who headed the group in Minneapolis. I think his first name was Al. Outside of passing greetings, the only direct or private conversation I had with the Ballards was in Washington—the first conversation that I have testified to; otherwise, all conversations were public. I think the Ballards contradicted themselves when Mr. Ballard gave a dictation from Saint Germain and said that the last two black magicians had been sejzed, bound and removed. Subsequent to that a number of black magicians were reported to be seized, bound and removed.

I worked as Mr. Schall's secretary while my husband was living. I don't recall hearing "precipitation" prior to joining the Ballard movement. I don't recall any reference to the subject in my theosophical readings. [143]

(Testimony of Mrs. Margaret Huntley Schall.)

Exception No. 36

Mr. Donnelly: You are familiar with the references in the Holy Bible to the subject of precipitation, are you not?

The Witness: I know what you mean.

Q. Yes.

There are many such references, aren't there, Mrs. Schall?

Mr. Lazarus: If the Court please, I object to this.

The Court: Certainly. I will sustain it. I can't see where it has any reference at all. It certainly is improper cross examination.

Mr. Donnelly: I am sorry, your Honor. Note an exception.

The Witness: I was familiar with the subject of cataclysms before coming into this work. As to when the cataclysm referred to in my direct examination was to occur, Mrs. Ballard said Saint Germain himself did not know but that the golden age was past due and the cataclysm might come at any time. I understand the Mighty I Am Presence to be a localized God over my head, and that I was connected by a cord of light that came down from the top of the head. The cord was the power that beats your heart. It was called the silver cord. In addition to the other things that I have mentioned many other things were taught by the movement, including divine compassion, the principles of brotherly love and the relation of man to his fellow being; that we should

call the Mighty I Am Presence into action for our fellow being. We were taught the freedom of America was our business and we did not leave the rest of the world out either, and that patriotism was a virtue. I was only a student, not a leader or teacher of the movement. I heard the Ballards say, "Don't believe us, prove us." (Tr. Vol. 7, p. 894.)

(Testimony of Mrs. Margaret Huntley Schall.)

I attempted to practice the decrees between October and [144] December 21, 1935, the date of my husband's death. The study groups were conducted by group leaders but the classes were conducted by the Ballards. Sometimes I gave checks and sometimes cash at the class meetings. These gifts were voluntary and free-will offerings of love; I did not speak to the Ballards about them. From my recollection Government's Exhibit 8, "Ascended Master Light", and Government's Exhibit 6, "Ascended Master Discourses" taught of the I Am Presence. I was taught that the I Am Presenee was the channel of healing and of precipitation and of ascension. I joined the 100% group of the I Am. I joined both the Rogers and the Ratana 100% group and signed the pledge. When accepted, the applicant was issued a card. Later, the pledge was returned to my possession. Exhibit "I" is substantially the pledge I signed. Thereupon said exhibit was admitted in evidence.

I became a 100% member at the Pan Pacific class in March of 1937. I believe I heard Mrs. Ballard say that the law of precipitation is always in action everywhere in the universe. She said the

(Testimony of Mrs. Margaret Huntley Schall.)
speed of its manifestation is determined by the purity of the individual and the amount of energy and substance gathered by that one's own application. I am familiar with that, that is the catch in it. I have read the discourse "Easter I AM, the Resurrection and the Life" contained in the April edition of "The Voice", Government's Exhibit 12, at page 8. I have read Government's Exhibit 19, "The Voice of the I Am" for November, 1936, particularly the Saint Germain afternoon Discourse at Kansas City given September 27, 1936.

I read Government's Exhibit 14, the portion on page 2 thereof, being from "The Voice of I Am", dated June 1936. Mr. Donnelly read from the foregoing.

I don't recall that the remarks of Mrs. Ballard about not lending one's personal books of "I Am" were compared to the lending of any other personal articles. [145]

Redirect Examination

I heard Mrs. Ballard make similar statements to that contained in Government's Exhibit No. 56, "The Voice" magazine for December 1936, pages 13 and 14. Mr. Lazarus read therefrom.

Exception No. 37

Over the objection of defendants that it called for the conclusion of the witness and a comparative statement, Mrs. Schall was permitted to testify that

(Testimony of Mrs. Margaret Huntley Schall.)
she had heard statements of a conflicting nature made by the Ballards such as "Refuse to give acceptance to appearances but accept." Exception taken.

The Witness: I followed the instructions in the 100% pledge to forget everything else that I had studied other than the books of the Saint Germain series.

Exception No. 38

Over the objection of defendants, with exception taken, the witness was permitted to testify that Mrs. Ballard had made statements regarding the acceptance of everything they say without doubt similar to those statements set forth in Government's Exhibit 15, page 39 of the July 1936 issue of "The Voice"; also, the statement in Government's Exhibit 62 in the June 1940 issue of "The Voice" at page 11; and also Government's Exhibit 52, at page 16, of the August 1939 issue of "The Voice". Mr. Lazarus read therefrom

The Witness: I read in "The Ascended Master Light" that there was a distinction between divine compassion and human sympathy. I recall Mrs. Ballard saying that organized charities were not proceeding in the right way. I have a vague memory of her having said that you should call the Presence into action for the unfortunate individuals.

Recross Examination

I am familiar with Government's Exhibit 15 from the July 1936 issue of "The Voice" magazine, at

(Testimony of Mrs. Margaret Huntley Schall.)

page 15. I am familiar with Government's Exhibit 5, "I Am Discourses", the passage relating [146] to divine compassion, appearing at page 74 thereof. Mr. Donnelly read therefrom. In the course of study of I Am, hope, faith and charity were used as names of ascended masters.

Redirect Examination

During the noon recess I hunted for "The Voice" magazine relative to the last two black magicians being seized. I found it—it is in Government's Exhibit 18, the October 1936 issue of "The Voice", at page 22. Mr. Lazarus read therefrom.

Recross Examination

I don't recall Mrs. Ballard referring to a school of three hundred black magicians or to five powerful black magicians. The references I recall are chiefly to the discourses that Mr. Ballard gave. I recall reading Government's Exhibit 18, page 19 of "The Voice" magazine, October 1936 edition. Mr. Donnelly read therefrom. (Tr. Vol. 7, p. 933.)

VIRGINIA L. MEYER

was called as a witness in behalf of the Government and testified as follows:

I reside in San Francisco. I am acquainted with Edna W. Ballard and Donald Ballard, and I knew Guy W. Ballard in his lifetime. I am not acquainted

(Testimony of Virginia L. Meyer.)

with the defendant Louise Majerus. I am acquainted with the defendant Betty O. Mundy. I am not acquainted with the defendant Paul Stickell. I am acquainted with the defendant William J. Cassiere.

I have a small book store and card shop known as "Aloha Metaphysical Book Shop" in San Francisco. I deal in books of a metaphysical and a religious nature. About in 1936 I began to stock books of the Saint Germain Press, Inc. I started to stock the one book "Unveiled Mysteries" before I met the Ballards. I first became affiliated with the Ballard movement in May of 1935 and remained in it about two years. In about 1936 I was given certain work to do among the several San Francisco groups. With Mrs. La Ferrera, her husband, Mr. and Mrs. Ballard, Donald and some [147] young lady. I was present at a place that we had found to take over the I Am meetings. Mr. Ballard approved and blessed the place and named my husband, who was not present, as my assistant, and put Mr. and Mrs. La Ferrera in charge of the musical part. He said the Great Divine Director was speaking through him and he placed the seal of approval on our foreheads.

One time Mr. Ballard came to my shop and I told him that I had been asked repeatedly about the reality of his experiences and that it was said that they were copies from Mr. Spalding's book "The Life and Teachings of the Masters of the Far East." I asked him what I should reply to

(Testimony of Virginia L. Meyer.)

such remarks and he said, "You can tell them that they were similar experiences, the only difference being in location; that mine were at Mount Shasta, whereas Mr. Spalding's were in India, but they were actual experiences."

On one occasion I spoke to Mr. Gysi about allowing only a small percentage regardless of the number of books sold. He said to take it up with the Ballards or to write to Saint Germain Press. I wrote to the Saint Germain Press and it replied that I was getting thirty per cent regardless of the number of books bought, which was customary, but that they would allow me one-third and that amount was allowed. In about 1936 I asked Mrs. Ballard if she could give me a list of suitable books for reading other than Saint Germain series. She gave me a list of about thirty or forty. I had a list she sent me thereof, but I gave it to the Government—one was "Brother of the Third Degree"; another, "Life and Teachings of the Masters of the Far East", Volumes 1 and 2. That was Spalding's book. Others were "The Moon Pool", "Phylos, a Dweller on Two Planets", "Game of Life and How to Play It", "The Impersonal Life" and there were several theosophical books. A few months later I talked to Mrs. Ballard and pointed out to her that an article had come out in "The Voice" magazine stating that only the Saint Germain books would be read and she stated, [148] "Well, it is this way." She then pointed to my bookcase and said, "Over there supposing you

(Testimony of Virginia L. Meyer.)

had a beautiful light and I wanted you to go direct to that light, I don't want you to deviate here nor there, I want you to go straight, direct." I said "Oh, I see the point, you want to accomplish a certain thing and after that is accomplished we can read anything we wish." With that she turned and walked out of the room.

I received a letter dated January 13, 1937, (Government's Exhibit 110), from the Ballards by Betty O. Mundy.

Exception No. 39

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 110.

over the objection that it was immaterial and hearsay as against all other defendants (other than Mrs. Mundy). Exception. Said letter reads as follows:

"My dear Mrs. Meyers:

"We will soon again be coming to San Francisco, and I thought it might be well to write you early regarding the securing of the workers for the class.

"You may or may not know the class is scheduled for Feb. 4-13 Inc. and it will be just like the others so far as workers are concerned. I will need six (6) Cashiers and about two workers for each Cashier besides; then of course you know about the Ushers and those for handling song books, tickets, etc. The main thing are the Cashiers, for if they are ex-

(Testimony of Virginia L. Meyer.)

perienced it makes the work so much easier for all.

"Coming back to San Francisco seems so easy, for you have always handled things so nicely that it has made my work easy, and I know we will have the same wonderful time this trip.

"I have ordered from Chicago 6,000 folders to be shipped you direct. You will probably not need nearly [149] that many for mailing purposes, but we will use the rest for the class-work, as I did not want to send them here and then have to reship them.

"I do not know when we will arrive, for there are no plans as yet, however, will call and see you when we do arrive. With all our Love and Blessings, and looking forward to again being in San Francisco, I am

"Sincerely yours,

"THE BALLARDS

By BETTY O. MUNDY."

I received the six thousand folders referred to in the letter. Some I mailed out and others I delivered to Mrs. Mundy to be delivered at the Shrine. I received no expense account for mailing these folders. The shop paid the expense. I obtained six cashiers and two workers for each cashier. None of them was paid for his services. I obtained the

(Testimony of Virginia L. Meyer.)

ushers referred to in the letter and they were not paid for their services. In the spring class of 1937 I had a conversation with Mrs. Ballard at the Sir Francis Drake Hotel, Mr. Harry Rogers being present, at which time Mr. Rogers read three telegrams, one from New York, one from Tennessee and one from Kentucky. Each asked for immediate help. Mrs. Ballard told Mr. Rogers, "You know how to answer, say the usual thing." After Mr. Rogers left, Mr. Ballard came to the table. I then mentioned that Anita Rudicell, a woman in San Francisco, had agreed not to hold any more classes if Mrs. Ballard would agree to see her. I asked her to see this woman and she said she had no time, although I offered to give ten minutes of what I had with Mrs. Ballard. She said the reason that Mrs. Rudicell was not to hold any more classes was because she had not contacted the ascended masters at Mount Shasta that she claimed to have contacted. Mrs. Ballard said to me that I didn't know everything about the trouble with Mrs. Rudicell. I said, "No, I don't." She said, "This (is) a [150] matter of sex", and I said "I don't see how sex enters into it." (Tr. Vol. 7, p. 959.) She asked Mr. Ballard to take the platform the following day and to say what she had told him to say regarding this. The next day Mr. Ballard did address the assembled group, all the Ballards being present. Mr. Ballard said that Mrs. Rudicell claimed to have contacted Saint Germain but it was all lies and she was not

(Testimony of Virginia L. Meyer.)

to be believed or trusted; that they, the Ballards, were the only ones who had that connection.

I am acquainted with a Mrs. Pierce who was interested in meeting Mrs. Ballard. I asked Mrs. Ballard to meet Mrs. Pierce, a lady from Sacramento, but she said she didn't have time but finally she said she would see her. When I introduced them, Mrs. Ballard asked her what she wanted—that she was a very busy woman. Mrs. Pierce replied, "Nothing", turned and walked out. I then told Mrs. Ballard that the woman was a very wealthy, influential woman in Sacramento, and she could have helped a great deal. Mrs. Ballard said, "Why didn't you say so?" I replied, "I didn't think it was necessary."

On one occasion Mrs. Mundy said that she had gone with Mrs. Ballard to Arrowhead in the spring of 1937; that Mrs. Ballard went because she had so much work to do and that she wanted to get away so that she could accomplish it. Mrs. Mundy said that she, Mrs. Mundy, sewed, mended, washed and cleaned but that she didn't do it for Mrs. Ballard but for Saint Germain. She said that she was compensated though because on the way home the car broke down and she, Mrs. Mundy, spent her time roaming around enjoying the hills while Mrs. Ballard sat on a log beside the road and wrote the next two discourses for "The Voice".

Donald always gave the invocation at the beginning of each meeting that I attended. Mrs. Mundy

(Testimony of Virginia L. Meyer.)

acted as sort of secretary to Mrs. Ballard and selling the books. Mr. Cassiere held meetings of his own. [151]

As admissible only against the defendant Cassiere, the witness was permitted to state that Mr. Cassiere said he thought the books contained the truth and he wanted us to get them and study them; that he also stated in her shop one day that he wanted her to mail his wife a book at Vallejo and stated that he had written her that if she didn't read the book she need not come and speak to him again; that he said he was one of the accredited messengers.

Cross Examination

The Witness: I got the Ballard books that I stocked in my book store from Saint Germain Press. I came in contact with them by reason of having noticed in a metaphysical magazine, "The Inner Life", a reference to "Unveiled Mysteries". In May of 1935 I first became interested in the I Am movement when Mr. Gysi came to San Francisco and asked me to help him arrange a meeting. At that time I had read part of "Unveiled Mysteries". He asked me to mail notices of the meeting to a list of customers that I had. After I ceased to be an adherent of the I Am movement in 1937 I didn't continue to sell the books at my book store. When I asked Mrs. Ballard for a list of other books that she suggested could be read in connection with the

(Testimony of Virginia L. Meyer.)

movement I did so because I wanted to read them myself, if I had not already done so, so that I could understand Mrs. Ballard's way of thought and also so that I could sell them to my customers.

The document, "Exhibit "J" for identification, looks about like the list Mrs. Ballard gave me. It was not in a folder. It was typed. It did not have the language at the top, "The following books contain constructive material recommended by Mr. and Mrs. G. W. Ballard." It had something like this at the top here, "Here is the list of books requested." Several months later, I again asked Mrs. Ballard for a list of books I might read in connection with the movement and stock in my library. [152] The reason I asked was because I had read a discourse to the effect that we were not to read any other books except those of the Ballards. This was probably in 1936. At this time when Mrs. Ballard answered by pointing at the book case and stating, "Now supposing there is a bright light over there by those books, if I want you to go direct to that light I don't want you to deviate this way or that, I want you to go directly to that light," I was not satisfied with the answer and wondered why she did not explain. But this was not my first disturbing thought. The first disturbing thought was when I talked to Mr. Ballard about the likeness between their book and the Spaldings. That was back in 1935. I was not doubtful of the whole business right from the start, but soon afterwards I began

(Testimony of Virginia L. Meyer.)

searching. When I read about the I Am movement in "The Inner Life", in which the tenets of the I Am were spoken beautifully about, I had confidence in it; also, I had confidence in Mr. Gysi. I had confidence when I heard the Ballards speak from the platform for the first time. I believed Mr. Ballard when he said his experiences at Mount Shasta were real. When I helped without compensation to arrange for six cashiers and two workers to help at the meeting in San Francisco at the request of Mrs. Mundy, as contained in Government's Exhibit 110, I did so because I wanted to believe in the movement. I was earnestly seeking spiritual truth. I brought a great many customers of mine into this movement and I kept earnestly striving to believe as I did not want to take them out until I was positive that it was wrong. I did not do the work of arranging for the cashiers and helpers exactly because I wanted to profit on the sale of books, but I wanted to help too. When I introduced Mrs. Ballard to Mrs. Pierce my faith in the movement was then wavering. My idea in introducing her to Mrs. Pierce was that Mrs. Pierce was influential with many friends in Sacramento and could arrange for a good attendance if Mrs. Ballard would go to Sacramento for a meeting. Mrs. Ballard stated the movement was the law of life; she said it was not a religion. [153]

Mr. Cannon: Knowing that your faith or your belief in this movement was wavering at the time

(Testimony of Virginia L. Meyer.)

you talked to Mrs. Pierce, you still introduced Mrs. Pierce to Mrs. Ballard so Mrs. Ballard could contact Mrs. Pierce's friends in Sacramento?

Mr. Lazarus: Your Honor, may I make this objection to further examination along this line: Mrs. Meyer has been asked repeatedly about wavering in the movement, and I say again we are not trying the movement, and I think it is improper cross examination. It wasn't brought out on direct examination. Faith or lack of faith should be asked as to specific defendants rather than the movement or enterprise.

Mr. Cannon: We will clarify the issues.

May I ask counsel, through your Honor, did he say we are not trying this movement? Do you mean that?

Mr. Lazarus: Why, of course, we are not.

The Court: Just a moment, gentlemen. That has been clarified by this Court twice, and I am not interested in what counsel on either side say about it.

The Witness: I might explain that I have always used the Bible as my guide and I asked Mrs. Ballard if she followed the Bible and she stated that she did not understand the Bible and never read it. That made me a little cautious. That was in 1936 while David Livingston was with them. I mentioned to Mrs. Ballard that I liked Mr. Livingston because he quoted so much from the Bible. Thereafter I continued to follow the movement to see if I

(Testimony of Virginia L. Meyer.)

could add anything further to my faith. The thing that led to the conversation I had with Mrs. Ballard about Mrs. Rudicell was that Mrs. Rudicall had claimed at meetings that she was in contact with the Masters and Mrs. Ballard had asked me to insist to Mrs. Rudicall that she not speak further in San Francisco until the Ballards arrived. When I spoke to Mrs. Rudicell at first she did not want to stop talking but when I pointed out that the Ballards [154] were the leaders and requested it, she said she would if she could have an audience with them when they came to San Francisco. I do not remember hearing Mrs. Ballard say that they accepted the constructive portions of the Bible but not the destructive. (Tr. Vol. 8, p. 1013.)

MURIEL L. BLISS

was called as a witness in behalf of the Government and testified as follows:

I live in Chicago. I met Mrs. Ballard on September 12, 1930 in my sister's book shop in Chicago. I met Mr. Ballard in the late summer of 1932. Prior to that time I had attended home or little informal classes that Mrs. Ballard had conducted. The subject matter discussed at these classes were occult and metaphysical subjects. We started reading Pelley's magazines.

(Testimony of Muriel L. Bliss.)

Exception No. 40

Motion was made by the defendants to strike the statement that at these meetings a general study of occult and metaphysical subjects were had and that readings were had from Pelley's magazines. Said motion was made on the ground that it had no bearing on the issues of the case; that it was not a part of the alleged scheme. The motion was denied and exception taken.

The Witness: Mrs. Ballard also read from some theosophical books. One was "The Fire of Creation" by Van der Lueew; another was "The Life and Teachings of the Masters of the Far East", by Baird T. Spalding. Also, references from "The Masters in the Path", by Leadbetter, and also from "The Impersonal Life" and "The Inner Secret". Also, from "Phylos, a Dweller on Two Planets". She would teach from them different things she wanted to educate us upon. Between the time I met Mrs. Ballard and the time I met Mr. Ballard, Mr. Ballard said that Mrs. Ballard was in California doing research work for the government. I was a member of the I Am movement from its inception to April 29, 1939. I read all the books and magazines put out by Saint Germain Press and taught the [155] principles enunciated therein to classes in Chicago. I was ultimately appointed a messenger of this movement. My first recollection of Mrs. Ballard mentioning the name "Saint Germain" was in the summer of 1932 maybe it was not as early as that. Mrs. Ballard conducted classes in Chicago

(Testimony of Muriel L. Bliss.)

in 1934. At first Mrs. Ballard had the people at her home; then they used my home for classes; then there was a group in Riverside on the west side of Chicago; then there was a class on the west side; then on the south side and then in the loop. From 1932 to 1934 I saw Mr. Ballard at least once a week. I heard read in manuscript form prior to printing "Unveiled Mysteries", "The Magic Presence". In fact, the first three books.

Mr. Neukom: Was it your testimony that you heard all of the manuscripts of the first three books read, or portions of them, there in Chicago?

The Witness: It was my understanding that it was all of all three and Mrs. Ballard read them to us in class, and I have never missed any portion out of the books nor seen anything in the books that I hadn't heard first the manuscript form.

Q. I would like to read to you just some portions from Government's Exhibit 89 in evidence and ask you—I am going to ultimately ask you if you recall that these incidents were read in manuscript form by Mrs. Ballard. I am reading from the bottom of page 18 of Government's Exhibit 89:

"'Come with me, and we will review the pyhsical life in which you used a feminine form in France—wherein you were a singer of splendid accomplishment with a voice of rare beauty and power.'

"Immediately—without the least effort on my part—I stood outside my physical body—seeing

(Testimony of Muriel L. Bliss.)

it clearly—as it reposed upon the ground. I wondered, if it would be safe there on the mountainside, and in [156] answer to my thought, Saint Germain replied:

"'Do not be disturbed. Not a thing in the world can harm your body—while we are away. Observe!'

"Instantly, I saw it surrounded by a White Flame—forming a circle about fifty feet in diameter.

"He placed his right arm around me, and I saw—we were rising rapidly from the ground—but I soon became adjusted to his vibratory action. There was no definite feeling of motion through space, but presently—we looked down upon a village in the south of France, and he continued:

"Here, you were born as an only child—the daughter of a beautiful woman, whose life was an example of Idealism far in advance of the majority in that period. * * *"

Q. Do you recall, Mrs. Bliss, Mrs. Ballard having read that incident prior to the publication of the book "Unveiled Mysteries" in the classes she was conducting in Chicago?

A. Yes, I do; and I recall Mr. Ballard elaborating on it. I remember Mr. Ballard commenting on this passage to the effect that he had met somebody in the physical embodiment who had injured

(Testimony of Muriel L. Bliss.)

him and again injured him in this embodiment, and it was one of the people who were mentioned in the story of "The Magic Presence" but just who it was, I don't remember.

(Mr. Neukom, of Government counsel, read further from Exhibit 89, commencing at page 29.)

The Witness: I remember when Mrs. Ballard was reading from the manuscript that sometimes she would stop and write something and then reread it as corrected and would comment to Mr. Ballard that it should be such and so. These readings occurred at classes to which selected people had been invited. I recall having heard the incident read in manuscript form about the panther and [157] the four little cakes. Either at Christmas in 1932 or 1933 Mrs. Ballard handed me and the rest of the class that we held at my home, three pictures which she said were one of Saint Germain, one of Master Kathumi and one of Master Morya El.

(A picture was received in evidence as Government's Exhibit 111, which was identified by the witness as the picture handed her on that occasion. (Tr. Vol. 8, p. 1032.)

At the time I asked Mrs. Ballard what the script was on either side of the head, she said it was an ancient language and Saint Germain had not told them what was said there. Later I recall another picture of Saint Germain which appeared in one of the books. Later, I think as an Easter offering, I received larger copies of the pictures of Saint

(Testimony of Muriel L. Bliss.)

Germain and the Ascended Master Jesus as published in "Ascended Master Discourses", Government's Exhibit 6, between pages 166 and 167. I heard the discourse read in Chicago in manuscript form pertaining to the precipitation of gold. Shortly after Christmas Day, 1933, I received a letter with the typed signature "Saint Germain" reading as follows:

"Christmas Day 1933

"Mrs. Muriel Bliss

"My dear student:

"I wish to thank you for your gracious kindness in being a focus for the spreading of the 'Light'. My love is a gift to you for that service. Perhaps another Christmas, it may be something seemingly more tangible.

"SAINT GERMAIN."

Mrs. Ballard handed me a letter, which was dated September 28, 1934, as follows: [158]

"Mrs. Muriel Bliss

"Beloved Messenger

of the 'Light':

"It is with great joy that I have the privilege to announce you a Full Messenger of the 'Light,' your probation having been completed.

"Follow your 'Inner Promptings' at all times in the deep acknowledgment of your own 'Mighty I Am Presence.'

(Testimony of Muriel L. Bliss.)

"You are free at all times to follow your 'Inner Promptings.' Do not at any time feel compelled to do anything because of being a Messenger. Let the 'Light' within you direct you always.

"I congratulate you on your great loyalty and sincerity to the 'Light' these Beloved Messengers, and myself. There are great possibilities before you as you stand unwaveringly in the 'Light' of your own 'Mighty I Am Presence.' Feel deeply Its Mighty Reality, Its Invincible Power, Its Divine Wisdom, and Its Full Presence to direct you always.

"It is necessary for you to be subject to my direction through the Ray brought to these Beloved Messengers until such time as it is visible to you in your own 'Presence.'

"I clothe you in my Love and the Ascended Master consciousness forever. In the fulness of the Divine Love of my Being.

"SAINT GERMAIN."

I never saw Saint Germain. At the time I received this letter I had implicit confidence in the teachings of the Ballards and continued to have such until about December of 1939 when I began to have serious doubts—no, I mean 1938 because I quit the movement in April of 1939. I remained in Chicago when the Ballards [159] went on their tour in October of 1934. They did not hold another class

(Testimony of Muriel L. Bliss.)

in Chicago until October 1938, but I saw them when they came to Chicago on business. After I became a messenger I began to teach similar principles to those taught me by the Ballards. I attended classes conducted by the Ballards in various parts of the country. There were about eight or nine of them. Both Ballards participated in conducting these classes. I did not hear Mrs. Ballard use the phrase "Mighty I Am Presence" until after she left Chicago. It was not used in the early classes. I think the first time I contacted the phrase was in printed form, possibly in a little folder I received in 1935 announcing a class. I heard the Ballards comment in the class about ascensions and also read it in the books. A chart was used by the Ballards both in classes conducted by them and by the group leaders and by the appointed messengers. It was offered for sale for $15.00. We carried it in the reading room. The Ballards said that we should have these charts for visualization and that the larger charts carried more radiations than the smaller.

(A chart was received in evidence as Government's Exhibit 112.)

The Ballards used the chart to illustrate and with reference to the ascension. The upper figure is the individualized God self of every living being. Above the head is that being of perfection and light which projects a physical body into re-embodiment upon the earth time and time again until at last it is

(Testimony of Muriel L. Bliss.)

purified and can make the ascension. This presence energizes through this electronic ray of light and gives the force and energy to the physical body that makes it move around. This is the agency sent out by the rays to perform different services. When one understands the teaching, you make a call to the Mighty I Am Presence to surround you with this tube of steely white light. It is to keep out discord of the outer world. Through the same process [160] within that tube, which extends at arm's length and enfolds your aurora, there is placed up from beneath your feet this violet consuming flame which is very real on the inner levels of life and purifies the physical body and the mental and emotional bodies and harmonizes them. Every individual that came into the embodiment must do this constantly as taught by Saint Germain and after a certain amount of that is done and the teachings followed, the violet flame purifies the physical structure. When sufficiently refined and purified it is ready to ascend. Death is the last enemy to overcome. It is not overcome by dying. Consciously and from this side of life the call must be made for the ascension of the physical body. It is your final destiny to be raised physically into that presence. (The witness pointed out on the chart various portions as she so testified.)

Up until the time that they changed it, I was taught that if the cord of light was severed, ascension could not be made because it was an ascension

(Testimony of Muriel L. Bliss.)

in the living physical body. They said that in Mrs. Rayborns' ascension and the ascension of Jesus, they only seemingly took place after death. As to Jesus, they said they taught His ascension but not His death; that Jesus had such power over the physical body that He vibrated out of it and permitted them to kill Him without any suffering at all and then later did what was necessary to raise the body. The same was true as to Mr. Rayborn. They claimed that the physical body upon ascension became levitated. I heard the Ballards announce from the platform on many occasions the same as set forth in the January 1940 issue of "The Voice", Government's Exhibit 57, at page 6, to the effect that an ascension cannot be made after death. Mr. Neukom read therefrom. (Tr. Vol. 8, p. 1050.)

I never saw anybody ascend while I was in the movement, although the Ballards said that people had, or were going to ascend from Royal Teton and somewhere in Arabia. I was a member of [161] the one hundred per cent group. I endeavored to live up to the requirements of the application. I believed the Ballards' representations relative to the ascension. When the Ballards left Chicago, Mrs. Ballard asked me to continue reading discourses yet to be read, and then she asked me to make two classes out of a group of names she gave me and to divide the work between Mr. Stickell and myself. In the spring of 1936 I started classes in the loop in Chicago. Then I came to the Shrine class in Los Angeles. Then at Mrs. Ballard's suggestion I

(Testimony of Muriel L. Bliss.)

opened a reading room in Chicago in September of 1936 in the Kimball Hall Building. The work expanded and later we moved into a reading room that had a hall with it which held 450 people. I conducted that until I left the work in April of 1939. My husband and I equipped the reading room and received no reimbursement from the Ballards, except we reimbursed ourselves about $1000 in furniture and the first month's rent.

When I quit Mr. Potter took over the lease which provided for $300 a month. He also reimbursed us for the things in the reading room that he wanted. We received the books from the Saint Germain Press which we sold. I knew Louise Majerus. I ordered books from her and received instructions from her. She told me that her position with Saint Germain was higher than mine; that her position was above that in authority of the appointed messengers. I also purchased articles from the Sindelar studio. We sold charts, the $15.00 size, and the smaller ones. We stocked all the books and all the magazines. Then there were bookmarks and gold rings with the I Am insignia on them and pictures of the Masters and other things. We had copies of the pictures that had been in the magazines. We had some little seals with Saint Germain's and Jesus' heads on them. All these were sold. We received 30% on the books and 20% on the magazines. I devoted all of my time to the enterprise. I paid some of my expenses for traveling from [162] love gifts received by my reading room, none was

(Testimony of Muriel L. Bliss.)

paid by the Ballards. I put back all of the proceeds, whether from love gifts or sale of the books or other articles, into the movement. I made no salary. I read a portion on page 19 of Exhibit 46, the February 1939 issue of "The Voice." (Tr. Vol. 8, p. 1061.)

When we purchased books from the Saint Germain Press we paid cash. The money for this came from love gifts, also the money to pay the rent and other expenses, and we developed the work with chairs and incidental things. We had radio time in Chicago. We obtained the records from the Allied Advertising Agency in Los Angeles. We paid for the radio time out of love gifts and then one lady donated to put on certain programs. The records cost $10 a side, or $20. Mrs. Ballard told me that the transcription money was to be sent to her but cleared through Mr. Dahl. I received the letter dated February 14, 1938, addressed to "Precious Group Leaders,"

EXHIBIT 113.

This exhibit was thereupon received in evidence, and reads as follows:

"Kansas City, Mo.,
February 14, 1938.

"Precious Group Leaders:

In re: Radio Broadcasting

"We have just come from Los Angeles, where we checked up with Mr. Dahl all our

(Testimony of Muriel L. Bliss.)

Radio Broadcasting accounts. Since this work is expanding so rapidly we find it necessary to make a few changes in our previous instructions to you.

"Hereafter in making out your checks, please make two checks as follows:

"1. Station time, payable to Allied Adv. Agency, Inc.

"2. Payment of Records, payable to Mrs. G. W. Ballard.

"Mail both checks to Allied Adv. Agency, and Mr. Dahl will then complete his records and send me checks for [163] Records. This is quite important, and it will save us a great deal of unnecessary correspondence and confusion.

"Several have asked if they might announce their classes over the Radio. Where there is a Reading Room which has proven itself and been approved by us, it should be announced, and when people go there to inquire they should be given a list of all Group Leaders with their addresses of Meeting Places, dates and hours, and let the one inquiring choose where they will go.

"Where there is no approved Reading Room, then the name and address of the individual whom we have chosen to handle this Radio Work can simply announce: Call..... (giving their name and address or that of the Group), then follow the same procedure as the

(Testimony of Muriel L. Bliss.)

Reading Room does by having a list of all Group Leaders. This saves much confusion and keeps out all personality. It is not our desire to have any other Group Leader's name or classes announced and this is done only where it cannot be handled otherwise.

* * * * * * *

"We do so appreciate all you have done and we bless you eternally for this service. Don't be discouraged, but just buckle on your Armor of Light a little more firmly, make your application with firm determination and the heavens will open to you, for 'The Light of God never fails,' and you are that Light.

* * * * * * *

"Lovingly,
"THE BALLARDS
"MRS. G. W. BALLARD." [164]

The Witness: Not only did we put all the money back into the movement but put some of our own into it.

Exception No. 41

In support of Count No. 3, there was offered and received in evidence, Government's Exhibit 114, a check for $140, paid to Mrs. Ballard by Mrs. Bliss in conjunction with the purchase of radio records. The witness identified this cancelled check, dated April 3, 1939, stating that it bore the signature of her husband, Arthur F. Bliss, and that it was

(Testimony of Muriel L. Bliss.)

handed to Mrs. Mundy or Mrs. Ballard at Chicago during the April class of 1939; that it was for radio transcriptions; that it was drawn upon the bank account where they kept funds in conjunction with the reading room in Chicago; whereupon the defense stipulated that the Government need not bring in proof that the check cleared and passed through the mails, subject to the same objection theretofore made to each "count" letter and document. The objection was overruled and exception allowed.

Exception No. 42

In support of Count No. 1, there was introduced in evidence as Government's Exhibit 115, a check dated December 20, 1938, to Mrs. Ballard in the sum of $20.00 signed "Muriel L. Bliss", which was sent to Los Angeles from Chicago through the mails, being a Christmas gift to Mrs. Ballard from the independent funds of the witness. It was admitted in evidence over the objection upon the same general ground as to other "count" checks and letters, and upon the further ground that the check does not appear to be in furtherance of any scheme being alleged in the indictment, being only a Christmas gift. The objection was overruled and exception allowed.

Exception No. 43

In support of Count No. 2, there was received in evidence as Government's Exhibit 116, a check in

(Testimony of Muriel L. Bliss.)

the sum of $300, dated February 21, 1939, payable to Mrs. Ballard, signed by Mr. Bliss, which the witness testified was payment for radio transcriptions and sent [165] to Mrs. Ballard from Chicago to Los Angeles by mail; that the signature appearing on the back of the check was that of Mrs. Ballard; that she had seen Mrs. Ballard write on many occasions. Defendants interposed the same general objection as to other "count" letters and documents, the objection being overruled and exception allowed.

Exception No. 44

There was then introduced in evidence as Government's Exhibit 117, a letter dated January 18, 1939, bearing the signature "Mama and Daddy" in Mr. Ballard's handwriting. This letter the witness, Mrs. Bliss, received in the mails. Objection was made by the defendants on the general grounds urged to the "count" checks and documents. The objection was overruled and exception allowed. (By stipulation and order of the Court the specific general objection was not required to be stated to these count checks and letters.)

Exception No. 45

There was next received in evidence as Government's Exhibit 118 (Count 7), a letter dated August 1, 1938, addressed to Mrs. Muriel Bliss, the letter having attached to it a copy of another letter dated

(Testimony of Muriel L. Bliss.)

August 1, 1938, addressed to Mr. Paul Stickell and signed "Saint Germain" by typewriter. This letter was received by Mrs. Bliss through the mails and was received in the envelope to which it was attached. The same general objection to "count" letters was made by the defendants, objection being overruled and exception allowed.

The Witness: I have read Government's Exhibit 17, the September 1936 issue of "The Voice" at page 20. (This was read by Mr. Neukom.) I believed this discourse when it was delivered. I have read Government's Exhibit 58, the February 1940 issue of "The Voice" at page 32, and heard the Ballards deliver the substance thereof from classes. (Mr. Neukom read therefrom.) I believed it when it was so delivered.

I have read Government's Exhibit 46, the February 1939 issue of "The Voice" at page 19, excerpts from the Great Divine Director's [166] Discourse. (Mr. Neukom read therefrom.) The Great Divine Director was one of the Ascended Beings. When I first went with the movement the Ballards said the physical body would be raised in its entirety upon ascension; that there would be no shell, not even any clothing; that it would go into the realm of the present—of this activity above the head, into that vibratory action which was so fast that it was invisible to the physical eyes. That upon ascension the person could come back down to earth and could be visible or invisible at one's own will. A

(Testimony of Muriel L. Bliss.)

mother could make the ascension and come back and take care of her children, if that is what you wanted to do. She was a free being. Later they explained what they called the new dispensation. This came about the last part of 1938. I did not hear the Ballards explain the new dispensation from the platform, I only saw it in print. It was contained in a Group Leader's letter—a January 8, 1939, discourse with regard to the body remaining. It was around this period that I first heard of the new dispensation. On or about December of 1938, or January of 1939, I read or heard the Ballards on the subject matter substantially as set forth in "The Voice" magazine, Government's Exhibit 52, the August 1939 issue, at page 32. (Mr. Neukom thereupon read a portion therefrom.) I have heard the Ballards comment upon many occasions with respect to their ability to heal persons.

The Cosmic Master Ray-O-Light was one of the Ascended Masters. Mr. Neukom read from Government's Exhibit 54, the October 1939 issue of "The Voice", at page 5.

Relative to healing, the Ballards gave instructions and methods that we could apply ourselves. I have seen them give healing treatments. They said that they would have to make application over and over again; that sometimes the imperfection could be removed from the body with one sweep of the hand: other times they would have to do the things they do in healing services for several days to get

(Testimony of Muriel L. Bliss.)

results. I believed in the statement contained in Government's Exhibit 32, the [167] December 1937 issue of "The Voice", at pages 3 and 4, when I read it. I have also heard the Ballards make the statement contained in Government's Exhibit 32, the December 1937 issue of "The Voice", at page 8. Mr. Neukom read from page 8 of this exhibit.

I read the portion of the April 1939 issue of "The Voice" which purports to be a discourse of Jesus in February of 1939. (Government's Exhibit 48, at page 7.) Mr. Neukom read therefrom.

I heard Mr. Ballard say also that he intended to raise the dead; that he had healed the sick many times. While I was in the movement I read Government's Exhibit 16, the August 1936 issue of "The Voice", at page 32. Mr. Neukom read therefrom.

I have heard the Ballards state many times that the answer to anything and everything that might be asked is in these books; that the books were the law for humanity for the next 200 years. I believed these statements at the time. Up until the time I began to have doubts, I believed everything the Ballards said.

Thereupon Saint Germain's Thanksgiving Day Discourse was received in evidence and marked Government's Exhibit 121, and a portion thereof was read by Mr. Neukom.

The Witness: This document was mailed to me by the Ballards shortly after the date it bears. I

(Testimony of Muriel L. Bliss.)

heard the Ballards discuss at classes the subject matter of cataclysms. I heard them set between the 15th and 16th of September, 1936 as the date when a cataclysm was going to occur. I heard Mr. Ballard read the Discourse, Government's Exhibit 29, the September 1937 issue of "The Voice" at page 3, Saint Germain's Discourse at San Francisco. Mr. Neukom read therefrom. I have read in "The Voice" magazine the same article that is set forth as Government's Exhibit 39, the July 1938 issue of "The Voice", at page 11, part of the discourse of the Goddess of Peace. Mr. Neukom read therefrom. I read Government's Exhibit 2, August 22, 1938 Discourse of "Mighty Victory", at pp. 8 and 23. Mr. Neukom read therefrom.

I heard Mrs. Ballard give the authority of the masters; that they never made any mistakes and were not to be criticised, [168] and I believed her. Mrs. Ballard told me that every 24 hours Saint Germain reviewed the record of my thoughts and activities and that all that was necessary for her was to hold me in the light to know all that was going on. I believed this up to less than a year from the time I left the movement.

Beloved Eriel referred to in Government's Exhibit 53 in the September 1939 issue of "The Voice", at page 17, was one of the masters. Mr. Neukom thereupon read from said exhibit. I had read in "The Voice" magazine, the January 1938 issue, the portion set forth at page 3, all in Gov-

(Testimony of Muriel L. Bliss.)

ernment's Exhibit 33. Mr. Neukom read therefrom. I believed the statement when it was issued. Mrs. Ballard stated, and I believed, that the I Am students would be safe in the event of a cataclysm, that is, physically safe.

Thereupon

GOVERNMENT'S EXHIBIT 122

was received in evidence, and reads as follows:

"Monday, August 21, 1933

"Mrs. Muriel Bliss:

"My dearly beloved student: You know the old saying, 'Slips don't count,' in this case it happened to be one down. I am sure your will pardon my little joke, for I assure you, it is more important than my frivolity would seem to indicate.

"You ask me the cause. Therefore, I must tell you the truth. Your discordant aunt was the wedge which intruded into your sacred domain. If you will ask my messenger Mr. B. at your convenience, he will explain to you in detail why.

* * * * * * *

"My child, in your fall, you escaped far more than it would be wise to discuss. Rejoice that it could be as easily remedied. My faithful messenger endeavored to protect you from it, but did not carry quite suf- [169] ficient into the outer."

(Signed) SAINT GERMAIN.

(Testimony of Muriel L. Bliss.)

The Witness: I received this letter on or about the date it bears. It was handed to me by Mrs. Ballard in Chicago. I had previously fallen and broken my arm. I told Mrs. Ballard I had drawn protection about me and wondered how I had failed to protect myself. Then I received this letter.

Thereupon

GOVERNMENT'S EXHIBIT 123

was received in evidence and reads as follows:

"June 13, 1935.

"Blessed Muriel Bliss:

"Beloved Messenger:

"* * * * * * * *

"We are starting Monday morning on a glorious two weeks vacation to Yellowstone, the Tetons, Salt Lake City, Bryce, and Zion Canyons, the Grand Canyon, Boulder Dam, then to Los Angeles where hundreds are anxiously awaiting our arrival. It is all so marvelous, so wonderful.

"The same artist who painted the marvelous picture of Jesus has painted a marvelous picture of Saint Germain just as he is today. He is passing through Chicago today on his way to New York to have the plates made under his supervision and their marvelous reproduction will be available for all the students in two or three weeks. Hand colored similar to Jesus at the same price, $2.00.

(Testimony of Muriel L. Bliss.)

"Kindly tell all your students they can be had from our home through Miss Majerus. How you will love this picture.

"Our love and blessing to your dear self and all the family. Always,

"THE BALLARDS

"Per GODFRE RAY KING." [170]

The Witness: I received the foregoing letter. It is in Mr. Ballard's handwriting.

Thereupon Government's Exhibit 124 was received in evidence.

The Witness: I received this picture of Saint Germain first through the mail from the Ballards. Thereafter I ordered and received some from the Sindelar Studios and Saint Germain Press. I sold them for $2.00 per print.

GOVERNMENT'S EXHIBIT 125

was received in evidence and reads as follows:

"Lake Merritt Hotel, Oakland, California.
February 24, 1939

"Mrs. Muriel Bliss,
"I Am Reading Room,
"Auditorium Hotel,
"430 South Michigan Avenue,
"Chicago, Illinois.

"Dear Muriel:

"Thanks for the check for $300 just received for radio transcriptions. This pays your

(Testimony of Muriel L. Bliss.)

transcriptions up to and including February 28th; thereafter it will be $40 each week.

"We regret not having given you this information sooner, but since Mr. Dahl had made the arrangements personally last August and we at that time had written Miss Majerus at the time the $800 was sent for the 20 weeks, we naturally thought the students understood. However, we are so grateful that your calls brought about the results, and they always will when given with dynamic intensity and feeling.

"We are looking forward to our coming class in Chicago and with 15 days we should just 'mow them down'. [171] The Class here is transcendent and it is such a relief not to have to battle such terrific forces in the outer, for there has been little to contend with here. The harmony and peace is very wonderful, which means much toward the accomplishment in the inner. * * *

"Sincerely yours,

"THE BALLARDS,

By MR. AND MRS. G. W. BALLARD."

The Witness: I received the above letter which bears Mrs. Ballard's signature through the mails. In addition to the proceeds from love gifts, etcetera, I personally put into the movement about $500 upon the belief in the representations of the Ballards. I have heard the Ballards discuss the sub-

(Testimony of Muriel L. Bliss.)

ject matter of precipitation. During the time I was with Mrs. Ballard I heard the discourse about precipitation of gold, the one contained in Government's Exhibit 120. I read the discourse contained in "The Voice" magazine, the March 1939 issue, at page 28, on gold, as delivered by Mr. Ballard (Government's Exhibit 47). Mr. Neukom read from Exhibit 47 and also from Exhibit 59, the March 1940 issue of "The Voice" at page 10.

Mrs. Ballard explained that precipitation is the bringing forth from the all present electronic substance into visible tangible use any object required or desired. That this could be accomplished before ascension but that the way to do it was to first decide upon something you wanted,—then don't tell it to anyone. Quietly make your call. Form a mental picture; that it was through visualization that you could develop and acquire. She suggested that we start with the precipitation of gold. She said it was solidified sunshine and carried a high radiation of blessing; that we could spend it in the natural commercial channels and buy the object, thus blessing the commercial world instead of bringing forth the object. I practiced precipitation between the years 1932 and 1936, sometimes as much as six hours a day. I never accomplished it. I have read from Government's Exhibit 5, the "I Am Discourses", at the bottom of page 97, Saint Germain's Discourse of October 27, 1937. (Mr. Neukom [172] read therefrom.) I believed that statement.

(Testimony of Muriel L. Bliss.)

I never saw the Ballards precipitate anything. I observed Mr. Stickell conducting his classes in my home in 1934 and 1935. I also attended classes he conducted in halls in Chicago and Milwaukee. He lectured on precipitation, also on the subject of ascension. Sometimes he would read from the books and sometimes speak orally. I attended classes conducted by Mr. Cassiere. Mrs. Ballard told me Mr. Stickell had been appointed a messenger by Saint Germain the same evening that I had been appointed. I saw brochures, an announcement used by Mr. Stickell and Mr. Cassiere. I have them in Chicago. Mr. Cassiere lectured on precipitation and ascension. Both Mr. Stickell and Mr. Cassiere collected love gifts at their classes.

Cross Examination

I was in the movement before Mr. Stickell or Mr. Cassiere, but not before Miss Majerus; I was before Mrs. Mundy. I was not conscious of any variations that any of us made in explaining these subjects. Mr. Cassiere, Mr. Stickell and Mrs. Mundy and I started teaching about the same time. Up until the time I began to have marked doubts I did not question the sincerity of Mr. Stickell, Mr. Cassiere, Mrs. Mundy and Miss Majerus. Then I began to wonder if they doubted the work the same as I. I don't recall the Ballards using the phrase "The Mighty I Am Presence" until 1935. (Tr. Vol. 9, p. 1235.)

I attended the class. To my best recollection, that

(Testimony of Muriel L. Bliss.)

is, August 1, 1937, at which the discourse referred to in Government's Exhibit 29, "The Voice" at page 5, was read, I did not expect to ascend until I had perfected myself but I expected it soon. I was living to the best of my ability and expected to ascend in the embodiment. I expected before all of God was in me that I would go into all of God. I believed that when the time came, if I was perfect, I would ascend. What I mean is that [173] before I would make an ascension I would be given assistance, most likely by an ascended master; that the completoin of perfection would take place at that time and age would leave one and the body be filled with light. I believed the statements contained in the discourse above referred to (Government's Exhibit 29). That is, I believed that for those who were coming into the light or coming into the work.

I explained the chart as given in the Ballard books. Now that you show me a document addressed to me dated August 21, 1933, which was a letter I received in which it is stated, "Keep your beloved daughter enfolded in the Mighty I Am Presence and be at peace," it refreshes my recollection. Apparently my memory has not been exact. That was after the "Unveiled Mysteries" had been started in reading. I know that that was not used in discourse and I had thought it was not until later that the whole phrase was used.

When I heard the Ballards say that the answer to everything was in the books that was needed for ascension and to use the powers that were in the

(Testimony of Muriel L. Bliss.)

books, I understood exactly that and not that they were either in the book or that a method was given in the books by which the answers could be obtained. I did testify the other day in answer to Mr. Neukom: "* * * for the answer to anything and everything that any individual or all individuals on earth can ask, is given in them, or the way to obtain it is explained", but I know that the law was in the books.

I remember being told the subject matter of the "I Am Discourses" in Exhibit 5 of the Government, at pages 97 and 99, pertaining to precipitation of gold. It is not true that the precipitation we were taught is nothing more than if you thought of a thing and created it in your imagination, such constant thought constitutes the means to accomplish it. Precipitation was not limited to gold. In precipitating I used to sit up straight with [174] both feet on the floor, hold my hands in a receiving position, as I had been taught, then visualize and call the Mighty I Am Presence into action to bring the things into my use. Then I would close my eyes and make an intense effort to see and feel that it was there in my hands. This was the process taught us and much about eliminating doubt and all of that came out later. We were told there would be a time when we would need to bring forth the powers as there would be much hunger and distress by reason of the cataclysm and I was trying to bring it forth so that I could assist myself and others who

(Testimony of Muriel L. Bliss.)

might need food. I believed it but did not practice it much after 1936, as I did not have time for I was conducting the reading room and teaching up to ten classes a week, but I still believed it up until 1938. I never told anybody about the precipitation of an automobile that I knew about. I wrote the letter dated January 4, 1935. (This letter was marked Defendants' Exhibit L for identification.) It was written to the Ballards. When I referred to the precipitation of Don's automobile in that letter, I did not mean it in the form of the law that we were taught it, I used it carelessly. I had reference there to the love that brought it forth. In the same letter when I referred to the $8.00 as being precipitated, it was not precipitation, it was just the way I used the word. It seems I did not use it wisely.

Thereupon said letter was admitted in evidence and marked

DEFENDANTS' EXHIBIT L,

and reads in part as follows:

"Jan. 4, 1935

"Precious Ones:

"* * *

"I am glad Don is staying with you. You should not be parted and this will be an education for him which may be more important than the classical. His pleasure in that car would have done your hearts good. [175] I doubt if yours can equal his. I am so grateful to the committee and students who, from the

(Testimony of Muriel L. Bliss.)

love of their hearts, precipitated that lovely gift. It is so much more than an automobile because of that.

"* * *

"I am very enthusiastic about establishing here a Saint Germain lending library for the students. I was wondering about it, desiring and working for it, when along came an $8 gift bond on Brentano's as a Christmas present from Mr. Stickell's class. Maybe that wasn't precipitation! I said to it, 'Little piece of paper you are the cornerstone of Saint Germain's library.' So I ordered The Spalding books and The Dweller on Two Planets. Every student must have your books, so later I may get them. But those they should own as text material. One of my beloved boys, a friend of Mr. Ferguson, just called me up all thrilled because he found and bought a copy of Zenia for the library. Oh—bless his heart! Our joy in this work seems out of proportion to the gift at times—but it's just because Love is the gift and the giver, also the receiver. Please bless my library! It is free to the students—as class after class pass thru our hands. The books are only gifts of pure love given by individual students as their hearts and means dictate.

"* * *

"MURIEL BLISS."

(Testimony of Muriel L. Bliss.)

The Witness: When I set up the reading room in September, I got out some publicity.

Defendants' Exhibit M is the form of announcement I got out. That was my own script. Said script was thereupon received in evidence. Mr. Cannon read said announcement to the jury. [176]

I put those quotations from the Bible in. During the course of the lectures the Ballards and the messengers gave, we sometimes quoted from the Bible, and from the New Testament, but little from the Old Testament—Mrs. Ballard objected to that. (Tr. Vol. 9, p. 1261.) When the Ballards were in the city and used our reading room, the proceeds of their meetings were given to them. Each group was financially independent and had no connection with the others, except that we took orders that came out in the Group Letters from the Ballards and of course, from the teachings and books of the Ballards. They did not dismiss me, I quit. There is a distinction between the groups and the classes. As a messenger, I was entitled to conduct classes. Groups were conducted by group leaders. I had a little greater leeway in following the formulated outline of the decrees. After the reading room was established the classes were always in the reading room—before that, in my home. Mrs. Ballard suggested that I put gift boxes out so that the members would be taught to give. I did not compile any of the books that were to be distributed at my reading room.

(Testimony of Muriel L. Bliss.)

(Defendants' Exhibit N for identification was marked:)

I wrote Exhibit N for identification on or about February 13, 1935. The Ballards told me I was to use my own inner promptings in what I did subject to their directions through Saint Germain. In the teachings I assumed no authority. I took my orders from Saint Germain through the Ballards I heard the Ballards say that they had the power in the calling forth of the light to heal. They said that they did the work and everybody would receive the healing if they accepted it. Mr. Ballard said he had had the power of healing since he was 19 years old and they claimed the power to heal people through the different processes of calling the light into action or visualization or using their hands. It was my understanding [177] the person seeking healing had to ask for it and then be receptive in his mental attitude. I don't think it was ever stated that the person had to erase all doubt. They said you could apply this principle yourself. I thought that healing happened instantly on the inner planes but that it might take a while to show through. They claimed they had a very much stronger dynamic call—it might take me a month to call forth the power that they could call forth instantly. I never saw anybody healed instantly, although calls for healing were made by the Ballards in the first

(Testimony of Muriel L. Bliss.)

five or six classes we attended. I still carried the belief in the healing through over five years. I believed the statements contained in Government's Exhibit No. 20, "The Voice" magazine of December 1936. The discourse there relating to healing does not mean that the Ascended Masters did not claim to have the power (to heal) unless the person who wanted to be healed made his call intense and sincere enough to dissolve human discord. It meant that the Ascended Masters had the power to heal but they were only permitted to give so much assistance as we were drawing forth on our own knowledge and confidence and power to call our own Mighty I Am Presence into action to heal. No, the Ballards never said they had more power to heal than the Ascended Masters but that they had more than the students. (Tr. Vol. 9, p. 1292.)

(Two letters, one dated March 7, 1935, and one dated St. Patrick's Day, were marked for identification as Defendants' Exhibit O.)

Mr. Cannon thereupon read the following excerpt from the letter dated March 7, 1935, which letter was marked as part of

DEFENDANTS' EXHIBIT O

for identification:

> "The Presence is governing here and we stand firm in the Light-issuing the decree to the forces of darkness, 'They shall not pass.' Interest and sincerity of purpose maintains here in the classes. Harmony in [178] all its

(Testimony of Muriel L. Bliss.)

perfection manifests, as far as I know or will know. * * *

"God has been mighty good to this child. No confusion at all, just the shortest distance between two points is a straight line—up!

"* * *

"A lady, Mrs. Cashman, at 3750 Sheridan Road has asked me to take a class of four ladies and more if I know of others, in her home some time soon in the afternoon. It seems to be possible. I left it to the Presence to arrange. I am calling upon her for a little 'understanding meeting' tomorrow afternoon. I am deply and humbly grateful to be used as a channel in the Service of the Light. The rewards are tremendous in the face of anything physical, as you so well know.

"* * *

"Mr. Stickell is still with me in both classes. He is precious, loyal and sincere. The library is Saint Germain's own and is growing and blessing. * * *"

Mr. Cannon then read from the other part of Exhibit O, Saint Patrick's Day in the morning:

"Precious ones:

"According to your letter you are leaving for Dallas tomorrow, so I will send this on to greet you, and carry my love and blessing to you there. I was with you in sleep—(Mrs. Bal-

(Testimony of Muriel L. Bliss.)

lard) or else merely dreaming—last night. You seemed mentally occupied with something which seemed to be troubling you. In any event a whole deluge of love and light 'I Am' releasing unto you—just in case it may help in some way—and we know it really does. We were watching hundreds of things like aeroplanes in the air and one was falling. It headed right [179] toward us and we fell flat on the ground. It was huge—but it came to earth between us and it seemed diminutive—not larger than ourselves—and we were saying, 'See what God can do,' etc. I thought perhaps some of my work was wrong or troubling you—later—but you said no. I do so wish my outer would register what it is all about, instead of a vague uneasiness. 'I Am' your protection—and naught unlike the Christ can manifest. 'I Am' my protection too in the strong paths wherein I carry the Light. A new class is forming for Tuesday afternoon in the home of a Mrs. Cashman at 3750 Lake Shore Drive. She knows Mrs. Vorhees—she loves Unveiled Mysteries—she is an earnest, seeking, striving, beautiful soul. She asked me to give the instruction to a few of her friends in her home. I agreed and called upon her. The vibrations about her and her home were not at all unpleasant—but I sensed something which made me vaguely uneasy. Afterwards Mrs. Vorhees told me (she called me

(Testimony of Muriel L. Bliss.)

up, I have not met her) that Mrs. Cashmann's sister-in-law is actively opposed to all metaphysical thought and has asked the prayers of the Catholic Church to "save" Mrs. Cashman. Mrs. C also sees and hears things—not seen by everyone, as does her husband. She said one of these voices told her I could help her. Well, God grant it. * * *

"* * * I would have you know, it is your example 'Lady Ballard' which I follow and seek to emulate in handling mundane matters; and I have never said—'You're a better man than I am, Gunga Din'—to any one before. Right or wrong, I was always dashing away ahead of the others; until I met a brave, courageous, gallant leader yourself—and with God for a friend [180] with the I Am that I am—I can and will carry on without squalkings."

The Witness: I wrote both of those letters contained in Defendants' Exhibit O for identification. The first reference I heard to the chart was when Mr. Ballard stated that some one had drawn a marvelous representation of our relation to our own individualized God-self. Then I heard it discussed from the platform and in classes. I don't remember whether Mr. Rogers mentioned it in the group leader letters. I don't recall Mr. Ballard reading from Ezekiel of the Old Testament a description of the chart. I have heard or read the Chapter, the

(Testimony of Muriel L. Bliss.)

one of Ezekiel, Verses 26 to 28, which have just read to me.

Mr. Cannon read therefrom as follows:

"And above the firmament that was over their heads was the likeness of a throne, was the appearance of a sapphire stone: and upon the likeness of the throne was the likeness as the appearance of a man above upon it.

"And I saw as the colour of amber, as the appearance of fire round about within it, from the appearance of his loins even upward, and from the appearance of his loins even downward, I saw as it were the appearance of fire, and it had brightness round about.

"As the appearance of the bow that is in the cloud in the day of rain, so was the appearance of the brightness round about. This was the appearance of the likeness of the glory of the Lord. And when I saw it, I fell upon my face, and I heard a voice of one that spake."

The Witness: I never connected it in any way with the Ballards or their teachings, and I never received it in print or heard it from the platform. That was first called to my attention by Mr. Stickell who said a Bible student of his had called it to his attention. They always taught that Jesus had ascended with [181] His physical body unto heaven. The only source I heard them use was from "Adina's" letters to her father from the "Prince of the House of David", which Mrs. Ballard said she

(Testimony of Muriel L. Bliss.)

herself had written. I might have heard them tell this matter of ascension, how it applied to Elija in the Old Testament where the Chariot of Fire picked him up off the earth without his passing through death. I don't recall that they called to our attention the episode from the New Testament where the eleven Apostles were in the upper room and the door was closed and Jesus, after His Resurrection, came into the room and manifested Himself. When Mrs. Ballard told me that the Bible was a filthy book and she did not know anything about it and had never read it through, it shocked me, but on the other hand, I had found so many discrepancies in the Bible and I believed Mrs. Ballard so thoroughly, that I did not have any critical thought about such statement. It was explained to me that when the transfiguration takes place, all sense and appearance of age leaves the face and body, the hair returns to its natural color and the clothing dissolves into the Garments of the Higher Octaves. The Ballards so stated before such statement was contained in the chart of the Mighty I Am Presence.

In reply to a question as to whether or not Mrs. Ballard had read from the Bible referring to the transfiguration of Christ, as follows: "And His face did shine as in the sun and His raiment was as white as light", as far as I know, Mrs. Ballard never had a Bible in her hand. She never read anything from the Bible to me. She took a few obscure

(Testimony of Muriel L. Bliss.)

statements from the Bible and used them as catch phrases. When I made up a folder in September of 1936 on which was said "I am the resurrection and the life", I took that from the Bible as did Mrs. Ballard.

I don't know whether Mrs. Ballard made the remark against the Bible before or after this folder of September 1936. It was probably after. It was at a time when all other books, [182] except the Ballard books, were withdrawn from the library and we were told to stick to the Ballard books entirely.

Mr. Cassiere referred to the Bible in his classes. He used it a couple of times to back up things that Saint Germain had said.

Redirect Examination

Mr. Neukom read from Government's Exhibit 10, the February 1936 issue of "The Voice", at page 10.

The Witness: Mrs. Ballard did not give me money to start my Chicago class or to maintain it. I bought the books from the Saint Germain Press.

I have read the July 1936 issue of "The Voice", Government's Exhibit No. 15, at page 29. Mr. Neukom read therefrom.

I read "Unveiled Mysteries" and recall the portion where Saint Germain precipitated the gold coin in the palm of his hand and about the appearance of the goblet and the liquid in the goblet and

(Testimony of Muriel L. Bliss.)

the appearance of the four golden cakes. I read and was told that all of those were actual experiences. I also read the portion about the banquet in said book at page 363, where the banquet and all the service for the meal was precipitated. Nothing in there refers to my cook book because I never did publish it. I also read therein, Government's Exhibit 3 or 89, from "Unveiled Mysteries" at page 51, about the banquet. Lotus Ray King, who purports to write the editor's note in Exhibit 3, "Unveiled Mysteries", is Mrs. Ballard.

I have never seen the messengers heal anybody.

Mr. Neukom read from Government's Exhibit 47, at page 7; also from the August 1939 issue of "The Voice", at page 25; and from the February 1936 issue of "The Voice", Government's Exhibit 10.

Recross Examination

I conducted a few classes outside of Chicago. The [183] love gift collections I made were used to defray the expenses of the hall. I don't recall, on the subject matter of precipitation, whether the Ballards explained at the lectures and classes about the precipitation of the meal when the Master Jesus fed the 5,000 and 3,000. (Tr. Vol. 9, p. 1334.)

DR. NEPHI COTTAM

was called as a witness in behalf of the Government and testified as follows:

I am a licensed chiropractor in California. I reside in Los Angeles. I was so licensed in 1934 and 1935. I met the Ballards, Mr. and Mrs., and Donald, in May of 1935. Shortly afterwards I had occasion to read "Unveiled Mysteries". Thereafter, I had occasion to discuss the Royal Teton Mountains referred to therein with Mr. Ballard. Prior to that time Mr. Ballard had been a patient of mine. My wife and I had been in the habit of taking a trip every year, so I invited Mr. Ballard, his wife and son to be my guests at the Royal Teton Mountains in order that we could attend one of the conferences with the Ascended Masters that he had written about.

I told him I thought it would be an inducement to him if I would pay the expenses. He didn't answer me promptly and the color left his face. He said, "I cannot invite you up there; I haven't the authority; I will have to ask Saint Germain." I said, "Well, let me know tomorrow night." Prior to this conversation I had heard him say that the Ascended Masters met in the inside of the Royal Tetons, also at Mount Shasta. I invited the Ballards to go, not only to the Royal Tetons, but also to Mount Shasta. I had given chiropractic adjustments to Mr. Ballard. The next night I attempted to speak to Mr. Ballard, but he would not speak to me.

(Testimony of Dr. Nephi Cottam.)

Exception No. 46

Over the objection that it was without the scope of the allegations of the indictment, particularly as to page 5, paragraph I thereof, and to which ruling an exception was allowed, [184] the witness was permitted to testify:

The Witness: The nature of my work pertained to the brain and the cranial case. If one side of the brain was heavier than the other, the brain is off-balance and this produces an imbalance throughout the entire body. I then proceeded to adjust Mr. Ballard according to the principles of the imbalance that I had observed in Mr. Ballard's brain and released the brain and produced a balance in the brain and also in the body. Mr. Ballard commented that it was remarkable what had happened by freeing his brain. I observed that Mr. Ballard had a bad case of catarrh—he was cyanose and pasty looking. There was insufficient blood going to his brain. I graduated from the Palmer School of Chiropractic at Davenport, Iowa. I did not have and would not use an M. D. license if I had one. As a chiropractor I treated people for various ailments and diseases of all kinds. I analyze the condition of people, although we are permitted to diagnose. I studied anatomy, physiology, neurology, chemistry, bacteriology, chiropractic jurisprudence and adjustment, nerve tracing, histology and gynecology and obstetrics, hygience and distology. I had postgraduate work at the California Chiropractic Col-

(Testimony of Dr. Nephi Cottam.)

lege. I lectured there on craniopathy, my own discovery. I lectured at practically every osteopathic college in the United States relative to craniopathy. I have also lectured about this subject at the naturepathic convention in St. Louis and at the medical convention in Chicago before all the M. D.'s, that is, before the American Medical Physical Research Society. I have been active in this practice for twenty-six years in Utah and California. Mr. Ballard's right eye was smaller than the left eye, and the right side of the face was smaller than the left; his chest was hollow, the trapesium muscles were small, the shoulders were poorly padded; the liver was hard, the liver, heart and pancreas were congested, and the abdominal cavity was prolapsed and the right leg was shorter than [185] the left, the right hip higher and twisted toward the back. I gave Mr. Ballard two adjustments and Mrs. Ballard two.

(Objection was made within this exception to the foundation of the witness to testify as an expert. The objection was overruled and exception allowed.)

I had a conversation with Mr. Ballard relative to magnetic and electrical energies sometime about 1936, at the time that the audience was getting too big for the Trinity Auditorium and just before they went to the Shrine Auditorium, in which I told him that all humans had electro-magnetic en-

(Testimony of Dr. Nephi Cottam.)

ergy in the body and that through mental projection one could send an electrical current down through the ends of the finger tips across the heads of a full audience and that the audience would feel an electrical charge. Mr. Ballard replied that that was remarkable. A short time afterwards, in a meeting at the Shrine Auditorium, he told his class that Saint Germain had taught him a great many marvelous laws, and stated that he wanted to demonstrate the marvelous power he had been given by Saint Germain. Then he stated that he was sending an electrical charge from his fingers that the audience could feel through their brain.

In about 1935, while they were having classes in the Friday Morning Club, I remarked that since we were living in a Christian country that I thought it would be well to have Christ as a Master and not Saint Germain, whom people had not heard of. The next time I went to the meeting they had a small picture of Christ with a large one of Saint Germain, so I told Mr. Ballard that that would not do, they could not make Christ a secondary individual. The next time I went back they had the picture of Christ just as large as the picture of Saint Germain. Mrs. Ballard was there each time that Mr. Ballard was there at these various classes that I attended. [186]

Cross Examination

When I treated Mr. Ballard he was up and around and walked under his own power. As a

(Testimony of Dr. Nephi Cottam.)

result of my treatment, I improved his line of talks, that is, by my adjustment of his brain. I did not see him after I stopped treating him so I don't know whether he dropped off or not. I only gave him two adjustments on two consecutive days. There was a sudden improvement in his talks. I heard him speak numerous times afterwards. His improvement in his talks went to a climax and then began to deteriorate. I came to the conclusion that this was due to a strain on his mentality, that his brain got off balance again. It is true that as far as face formation is concerned I have never seen a perfect individual, but Mr. Ballard was below average. I recognize a picture of Mr. Ballard in Government's Exhibit 10, the February 1936 issue of "The Voice". The picture shows him much younger than when I saw him, which was in 1935. This picture shows the right eye lower than the left and the nose turned to the right. I adjusted the nose.

(The witness was then shown a picture of Mr. Ballard contained in an issue of "The Voice" of May, 1940, (which is in evidence), and testified that it did not look like Mr. Ballard when he saw him; that it was better because he had been adjusted by the witness.)

It was not while I was giving Mr. Ballard the treatments that I discussed with him the giving of powers to Saint Germain that have heretofore been ascribed to Jesus—it was afterwards. I had attended quite a number of lectures before I had dis-

(Testimony of Dr. Nephi Cottam.)

cussed the Jesus-Saint Germain comparison and had read all three of the books published up to that time. It was right along the first time I met Mr. Ballard that I discussed with him that he ought to put Jesus at the head of his movement and not Saint Germain. I had not read any of the books then. I had not read "Unveiled [187] Mysteries" at that time. I had attended a lot of lectures prior to that time but had never heard the Ballards mention the name "Jesus". He did not tell me when I suggested putting Jesus in with Saint Germain that he could not do that because he had had the actual experiences with Saint Germain. He simply replied to my suggestion, "Well, that might be so." When I mentioned the electronic force to him I had read all of the books up until that time.

Mr. Cannon then read from "Unveiled Mysteries" published in 1934, first edition, at page 224, and from Exhibit 17, Saint Germain's Discourse of July 28, 1932, at page 2, and the witness in reply to whether or not that was the substance of what he had told Mr. Ballard in 1935, stated that he, the witness, had shown Mr. Ballard the application of the law. Moreover, the witness said it was not the pineal gland but the pituitary gland that furnishes the electronic energy.

Mr. Cannon also read from Government's Exhibit 5, at page 233, of the I Am Discourse of December 8, 1932 (copy-righted July 20, 1935), and the witness stated in reply to the question as to

(Testimony of Dr. Nephi Cottam.)

whether that was the substance of what the witness had told Mr. Ballard that it was a different application of the thing.

The witness was then asked if there was any question but what he had read "The Magic Presence" at the time he had had this conversation about this electronic force and putting Jesus at the head. The witness replied, "No, I had not read any of them prior to that but it was the first few days that I went there when I told him he ought to have Christ there at the head. It was in May of 1935 that I talked to Mr. Ballard about Jesus." It was stipulated that the first copy of "The Magic Presence" came off the press in June of 1935.

I might have seen the program, Defendants' Exhibit [188] J, which advertised that I would give certain lectures on May 7, May 14, 1935, etc. At the time the program was put out for my lectures having the advertisement of the publications, "Unveiled Mysteries", "Magic Presence", and "The I Am Discourses", on the reverse side, I didn't know the books had been published.

(This program was received in evidence as Defendants' Exhibit J.) (Tr. Vol. 8, p. 1135.)

Redirect Examination

I didn't get this circular out, (Defendants' Exhibit J,) the Advanced Book Store got it out. I was just giving lectures as set forth in the notice. I see my name appears in two places on this exhibit. I was giving lectures in the same building

(Testimony of Dr. Nephi Cottam.)

but at a different hall at the time. At that time I had nothing to do with the I Am movement.

Recross Examination

Thereupon Mr. Cannon read to the jury from Government's Exhibit 96, a letter dated April 21, 1935, stating:

> "This perfect likeness of the Ascended Jesus Christ was painted by Charles Sindelar, Los Angeles, California."

Redirect Examination

I never saw this Government's Exhibit before. I did not know it existed (Exhibit 96).

RICHARD J. PURCELL

was called as a witness in behalf of the Government and testified as follows:

I am a Post Office Inspector, have been such for over eighteen years. I interviewed Edna Ballard in Chicago in April of 1934. This was in connection with what is known as the Killen letters.

(A group of letters were marked Government's Exhibit 119 for identification.)

(Carbon copies of letters on yellow sheets were marked [189] as Government's Exhibit 120 for identification.)

Prior to the time I met Mrs. Ballard I had written a letter to Mr. E. W. Ballard. No—not

(Testimony of Richard J. Purcell.)

"G. W. Ballard",—E. W. Ballard. A few days after that letter Mrs. Ballard appeared at the office of the Post Office Inspector in Chicago and I had a conversation with her. At that time I showed Mrs. Ballard the papers (letters) grouped as Government's Exhibit 120 for identification. I asked Mrs. Ballard if she had any knowledge as to who the "Ray" was who apparently signed these letters.

Exception No. 47

Government's Exhibits 119 and 120 for identification were received in evidence over the objection of defendants that they were hearsay except as to Mrs. Ballard. Exception was allowed.

GOVERNMENT'S EXHIBIT 119

consists of the following letters:

"Chicago, Illinois.
"May 4th, 1933.

"My dear Miss Killen:

"As we have the first manuscript almost ready for the printer, I feel impelled to let you know. Trusting the Mighty I AM Presence has revealed to you the supply needed. I want so much to get it published soon as possible. Not only that the world needs it so much but to give me the needed financial freedom to

(Testimony of Richard J. Purcell.)

carry on giving out these marvelous instructions. The demand grows greater each day.

"I was at Evanston last Saturday night and spoke before a group of delightful people with almost unbelievable response. Already four classes are under way others forming so that ere long it seems all time will be taken but I do want to get the books out first."

* * * [190]

(The letter has no signature on it.)

"Chicago, Illinois.
"May 23, 1933.

"My dear Miss Killen:

"Your letter of the 8th, with its encouragement came O. K. We are working with you very earnestly for the supply.

"The demand is so great for the instructions and humanity need the books so much, that I trust the way will open quickly.

"If you thought the manuscripts wonderful before, you certainly would think them marvelous now since the elaboration. Surely nothing like them has ever been given to the world that is so marvelous a truth.

"There is no question in my mind that you are the right one to have a life income in financing the putting out of the books, for surely such would be the case and an income that would keep you in every comfort.

(Testimony of Richard J. Purcell.)

"Spalding told us last year there had been Two and One Half Million copies of the 'LIFE AND TEACHING OF THE MASTER OF THE FAR EAST' sold. Then surely each one of mine will do as well.

"* * *

"I have had a marvelous experience which I will tell you of in next letter.

"GOD BLESS AND SHOW YOU THE WAY NOW.

"YOUR SINCERE FRIEND,

"RAY." [191]

"Chicago, Ill.

"May 30, 1933.

"My dear Miss Killen:

"Your lovely letter of the 28th, came filled with strength, courage and true understanding. More and more it seems to me certain and right you are the one to be blessed and benefited by your assistance in putting forth the books, they are truly wonderful.

"* * *

"We are giving you every assistance we can in the success of your desire. God in you is your certain victory. I AM the Presence of the money you wish in your hands right now

(Testimony of Richard J. Purcell.)

and I insist it come forth now for this divine service. It is now accomplished.

"God bless you and clothe you with light.

"RAY."

"1620 E. 84th Place
"Chicago, Illinois.
"Aug. 31, 1933.

"My dear Miss Killen:

"Your letter of the 24th received * * *.

"In some way I cannot explain, I never felt more certain of anything in my life than that you have this money needed in your hands at once. Without effort I live every moment in that firm certain consciousness, which can only come from the 'Mighty' I AM.'

"* * * *

"I am enclosing the Discourse of Oct. 17, 32. another wonderful expression of the Truth. It is as though these discourses had been intentionally with held until this time and I doubt not they were. [192]

"The first manuscript is ready to go to the printer and I feel so sure by the time this reaches you the money will be in your hands.

"* * *

"Sincerely,
"RAY."

(Testimony of Richard J. Purcell.)

"July 6th, 1933

"My dear Miss Killen:

"I was delighted to get your letter of the 22nd, but so many wonderful things have been happening I did not get the answer off soon as intended.

"I am so delighted you will have the money for the books it has always seemed to me the Divine plan for I do so much want you to have the benefit of the income I know must come from them.

"* * * * I know and rejoice with you that you have the money in your hands now for the books and that it will bring you an income to give you the time and right place to enable you to make and keep that beautiful, wonderful, permanent contact with your Mighty I AM Presence. * * *"

Signed by typewriter "Ray Richards."

"Chicago, Illinois
"Sept. 30, 1933.

"My dear Miss Killen:

"* * * *

"Do you have One Hundred Dollars you could spare until the other gets through and then take it out of the amount you send then.

(Testimony of Richard J. Purcell.)

If you have it would help do some necessary things now. I feel so certain we [193] are to be associated in the distribution of the books that I feel free to suggest this.

"* * *

"RAY."

"Chicago, Ill.
"1620 E. 84th Place
"Nov. 5th, 1933.

"My dear Miss Killen:

"Your marvelous letter of the 30th, reached me O. K. You are reaching splendid heights, hold fast to it and all things must obey your decrees. Your experiences are remarkable, beautiful and Real.

"* * *

"All arrangements are made and the first book is ready for the printer I know it must come forth NOW. The abundance of money to put them forth in perfect divine order for all is waiting now for the money.

"I rejoice in your marvelous state of consciousness for I feel it and it is truly wonderful. You will rejoice I am sure to sit under his radiation in the class work.

"* * *

"A Special Delivery letter came Friday and

(Testimony of Richard J. Purcell.)

I thought sure it was yours with three thousand dollars. Next time it will be yours.

"* * *

"RAY." [194]

"Chicago, Ill.
"Dec. 13, 1933.

"My dear Miss Killen:

"* * *

"I am enclosing discourse of Oct. 27th, 1932. another marvel. I AM feeling the Three Thousand Dollars here in our hands and use now. That all move forward under divine direction to full quick accomplishment. That these blessed children of God craving the 'Light' and its use may have it.

"* * *

"RAY."

The next letter is page 2 undated:

"There cannot in any way be money connected with these instructions as they come as A FREE GIFT OF LOVE, from the ASCENDED MASTERS OF LOVE LIGHT AND WISDOM.

"ENTIRELY OUTSIDE OF THE INSTRUCTIONS, the Student may always do

(Testimony of Richard J. Purcell.)

what their heart wishes them to do. In the way of assisting us to carry on the work.

"* * *

"Should you contact the right channel for putting out these two wonderful books, let me know. Some how I have always had the feeling you would be the means of doing this. I AM so sure it would bring you an independent income the rest of your life.

"I mean the channel of money supply. Of course the supply needed will come but I would so much like to see you benefit by it.

"* * *

"Most Sincerely,"

The signature has been erased or stricken out.

[195]

"Chicago, Ill.

"Feb. 27, 1934

"My dear Miss Killen:

"Your letter of the 12th, was certainly a joy.

"* * *

"I feel so certain you will be led to and receive the Three Thousand Dollars needed to put the other book forth. Is there any source where you could borrow the amount for one or two years? After it was returned you could have your interest in the returns from the book just the same.

"* * *

(Testimony of Richard J. Purcell.)

"'UNVEILED MYSTERIES' is wonderful, beautifully and perfectly put out. So many appreciate the splendid type for reading.

"* * *

"RAY."

Mr. Neukom: Now reading from carbon copies which, I understand, were enclosed. It is

GOVERNMENT'S EXHIBIT 120.

I am reading from what is numbered page 4. At the top of the page it bears date of November 3, 1932:

"On Precipitation

"The power of precipitation, the student should understand and remember at all times, is within the 'I Am Presence.'

"'I Am' here, the life principle and intelligence in this body,—'I Am' everywhere, even unto the heart of God, the governing intelligence of the universe.

"Therefore, when I wish to precipitate anything whatsoever, I know that 'I Am' the power acting, the intelligence directing,—'I Am' the substance being acted upon and I now bring it into visible form and [196] my use.

"EWB. (I know 'I Am' doing this and therefore must succeed.)

"The contemplation of this phrase just expressed, will enable the student to enter into this activity without strain or anxiety.

(Testimony of Richard J. Purcell.)

"The question that so often confronts the students in the power of precipitation is,—how is it that money may be precipitated without interfering with the government allotment?

"Since the creation of money, as a standard of exchange, gold being its standard and heart, so to speak, and the security of all issue—it will be remembered, that there have been almost a countless number of disasters in one form or another, through which gold and the issue of money, have been to the outer sense destroyed.

"Billions of dollars in this manner have disappeared.

"Therefore, with any money, and it is generally gold that is precipitated, there is no danger of passing the limit set by a government, for its use. Again there have been billions of Spanish gold and denominations of other countries, that have been burned, lost, submerged at sea, to the extent, that precipitation would have to run into great numbers, before there would be any question as to its legality.

"More often however, gold is precipitated in its natural state, therefore, always legal in its use.

"As the world has recently offered a premium for more gold production, why not precipitate it and bless the world by its use: but I shall not hold myself [197] responsible for the questions, that will be asked, when you do

(Testimony of Richard J. Purcell.)

precipitate it, unless you have a mine from which you can supposedly bring it forth; for you have no idea what the curiosity of the outer mind is, until you call its attention to gold.

"I assure you the outer is immediately on fire.

"However, 'I Am' the Presence' Governing it.'

"The supposed demand to know the source of gold, is but a subtle form of inquiry, that someone else may discover your source. My idea would be to answer their inquiry, that it is none of their business. Simply say, 'Here is the gold. Test it. If it is not 100 per cent, you may refuse it. If it is, you are compelled to receive it by the laws of your government."

The Witness: Mrs. Ballard said that she and her husband had sent the letters, (Government's Exhibits 119 and 120), to Miss Killen. She said she had had correspondence with Miss Killen. At that time she showed me a copy of Government's Exhibit 91. She showed me a copy of the book, "Unveiled Mysteries".

Cross Examination

The copy of "Unveiled Mysteries" Mrs. Ballard showed me had the name of Godfre Ray King on it. It was bound. At that time she told me that Ray

(Testimony of Richard J. Purcell.)

Richards was the pen name of her husband and that he had published a number of books under that name. I did not check on this to find out if it was true or not. She told me that Mrs. Killen didn't put any money into the movement. My papers showed that up until that time she had not sent any money. Mrs. Ballard told me that she and her husband had met Miss Killen in Denver several years before and that at that time Miss Killen had offered to advance money for the publication of the book. Mrs. Ballard said that if Miss Killen would put up the money she would get a ten per cent royalty. I am not familiar with Miss [198] Killen's handwriting.

(Two letters were marked as Defendants' Exhibit K for identification.)

I don't recall ever having sent the two letters comprising Defendants' Exhibit K for identification. Mrs. Ballard said that her husband as "Ray Richards" had written poems. [199]

No. 10059

United States

Circuit Court of Appeals

For the Ninth Circuit.

EDNA W. BALLARD and DONALD BALLARD,
Appellants,

vs.

UNITED STATES OF AMERICA,
Appellee.

Transcript of Record

In Four Volumes

VOLUME II

Pages 487 to 981

Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

PARKER PRINTING COMPANY, 545 SANSOME STREET, SAN FRANCISCO

VIRGINIA LaFERRERA

was called as a witness by the Government and testified as follows:

I live in Los Angeles. I was a member of the Ballard staff. I first attended a class of the Ballard movement in May of 1935 in San Fraicisco. Thereafter, I attended all San Francisco and Los Angeles classes. In 1936, I began to play the organ for the San Francisco class and thereafter played at the Los Angeles classes. (Tr. Vol. 10, p. 1342.)

In the spring of 1936, during the Pan Pacific class, I talked to Mrs. Ballard about reading rooms. She stated the purpose of reading rooms was to introduce the work to more people. She said that every reading room was separate and whoever operated one took the responsibility financially of conducting it. Thereafter, I opened a reading room in San Francisco. I purchased the books for use at the reading room from the Sindelar Studios.

In August of 1935 the Ballards asked me to play the organ at the Seattle class, which I did, and thereafter for almost two years I traveled to various parts of the country with the Ballards. Shortly after I started the Ballards told me that the Great Divine Director desired that I become a member of the staff, which I did. The Ballards told me on different occasions that I had been prepared by Saint Germain to perform the duties in a musical way for the activity. The Ballards told me and other staff members that our position as staff members was the most desired thing in the world, that

(Testimony of Virginia La Ferrera.)

as such, we were held under Saint Germain's radiation and that Saint Germain was constantly doing special work on us, mentally and physically, which made us entirely different from other people of the outer world. In June of 1939, my husband handed me a letter on Biltmore Hotel stationery with the typewritten signature "Saint Germain." Upon receiving it, I terminated my affiliation with the staff. [200]

Said letter was introduced in evidence as

GOVERNMENT'S EXHIBIT NO. 126,

and was read to the jury by Mr. Lazarus as follows:

"The Biltmore Hotel
"Los Angeles, Calif.
"June 22, 1939.

"Virginia LaFerrera:

"After Infinite Patience, giving you every opportunity to be saved from your own destruction, I am compelled to dismiss you from any further association with the Staff or This Work, in the Groups, classes or otherwise.

"The vicious falsehoods you have spread concerning these Messengers, This Work and Myself are unparalleled. Now then, you must reap the full force of your own falsehood and destruction sent out!

"Your stubborn viciousness has caused you to fail utterly.

(Testimony of Virginia La Ferrera.)

"May the Light of your 'Mighty I AM Presence' some day draw you back into Itself.
"SAINT GERMAIN."

The Witness: While traveling with the Ballards and playing the organ, writing songs and preparing incidental movement music for the activity, my expenses were paid and usually after conclusion of a class we (staff members) were given an envelope containing a love gift, anywhere from $20 to $100. My clothing was usually given to me by friends. At these various classes, tables were set up containing articles for sale—books, records, song sheets, pictures of ascended masters, charts, magazines and flags. The stock was carried from one class to another, At first, Mrs. Mundy was in charge of this part of the work, but later Mr. Vonderhoya assisted her. [201]

In the late summer of 1937, at Cheyenne, Wyoming, Mr. Ballard was feeling so badly that we couldn't start our day's travel. He told me he had a sick headache. I suggested alka-seltzer. He said he would be grateful if I would get it for him. I did and he drank it and then stated that he felt much better so that we could start out.

In January of 1939, at Yosemite, Mrs. Ballard told me she had a badly ulcerated throat. She didn't speak above a whisper for eight days. She said that she had been consuming the discord of individuals around to save them from suffering.

(Testimony of Virginia La Ferrera.)

During my association with the Ballards I have heard the Ballards describe themselves as being messengers and that messengers were distinct from ordinary mortals. The statement contained in the December, 1939 issue of "The Voice," Government's Exhibit No. 56, at page 15, is similar to the statements that I heard the Ballards make.

Exception No. 48

Over the objection of defendants, that the witness was being interrogated on a subject not referred to, averred or charged in the indictment, the witness was allowed to testify that on many occasions Mrs. Ballard had stated that the only reason she had for wearing jewelry, especially large jewels, was that they carried a powerful healing radiation and that she used them in that work.

The Witness: In 1938 Mr. Ballard said that the yellow diamond that he was wearing was from the Yellowstone diamond mines, which were supposed to be located under Yellowstone Park.

I have read "Unveiled Mysteries," that portion of Government's Exhibit No. 80, page 111, the chapter entitled "Mysteries of the Yellowstone," relating to a golden diamond mine in Yellowstone Park. (Mr. Lazarus thereupon read from said page and from pages 112 and 113.) [202]

I wrote the songs, "Light of My Heart," "Lotus My Love" and "The Ascended Master Youth of America." I did not tell the Ballards that these pieces were filled with a healing power.

(Testimony of Virginia La Ferrera.)

The Government read from Government's Exhibit 39, July 1938 issue of "The Voice" magazine, pages 35 and 36, which referred to these three songs.

I wrote the songs, "Rainbow Rays" and "Rose of Light." I recall no conversation with Mr. Ballard regarding the healing effect of these songs.

The Government read from the November, 1938 issue of "The Voice" magazine, Exhibit 43, page 48, dealing with these two songs.

I did not receive any compensation or royalty for these songs. I also worked on songs called "World Victorious" and "The Voice of the Presence." I had no conversation with Mr. Ballard about these songs releasing mankind of distress or about their healing power.

The Government read from Government's Exhibit 49, the May, 1939 issue of "The Voice" magazine, page 50.

I wrote most of the music for a song named, "Call to Light." This was in 1938. When I started to work on the music, Mr. Ballard was present and we talked the song over. After I finished it, I gave it to Mr. Ballard. About a week later, Mrs. Rogers sang it before a Chicago class. At that time, Mr. Ballard stated from the platform that while he was playing the song to me to take down, the Goddess of Light stood before us in the room giving the melody to him, giving the song to him to give to me. I did not observe the Goddess of Light on

(Testimony of Virginia La Ferrera.)

the occasions referred to, nor did Mr. Ballard mention it. That music was not dictated to the, best of my knowledge by any ascended master.

A copy of the song, "Call to Light" was introduced in evidence as Government's Exhibit 127.

[203]

I believe it was in the year 1938 that I met defendant Paul Stickell. I attended some of his classes and as I recall, love gifts were collected at his classes. The publications and paraphernalia put out by the Saint Germain Press were sold at Mr. Stickell's classes. In the fall of 1938 Mr. Stickell told me he was going from Seattle to Los Angeles to attend a Shrine class at Christmas time and I asked him if he would stop in San Francisco and speak to the students in San Francisco. He said he didn't believe it would be possible. Later he came to our room in the hotel and said he wanted to explain why he would not stop in San Francisco, and stated that the last time he addressed a class there that he had only received $175 for seven or eight days from the love gifts and he thought he hadn't received all the love gifts that had been given to him, and asked that I investigate and straighten it out, as he would like to return to San Francisco under more favorable conditions. He said that these lectures had been given by him in the I Am reading room. A charge is never made to visiting lecturers. After I joined the staff of the movement, we would have staff meetings almost every night after regular classes. We would go to Mrs.

(Testimony of Virginia La Ferrera.)

Ballard's hotel apartment and after all staff members had arrived, we would stand in a circle, usually a man and woman alternating, sometimes we would hold hands, and Mr. or Mrs. Ballard would give different decrees, sometimes for almost an hour, and we were supposed to silently repeat those decrees and give our energy to them. The decrees were for finances, for producing a million dollars into the hands and use of the Ballards, for world-wide radio hook-up, and for reading rooms to be established all over the world. The dictations were received during the staff meetings while all of us were sitting around the room. The blinds were drawn, the windows and doors locked, and we were asked to speak in low tones. Mr. Ballard [204] would sit in a chair and say that Saint Germain wished to speak to us or that the Great Divine Director or one of the ascended masters would wish to speak, and then through Mr. Ballard's own mouth would come the dictations. I never saw Saint Germain or the Great Divine Director during any of these staff meetings.

Thereupon Mr. Lazarus read from Exhibit 11 at page 16.

In the latter part of August or September, 1937, I accompanied Mr. and Mrs. Ballard, Donald, and the staff to the Royal Teton Mountains. On this occasion, we did not have occasion to go down about 2,000 feet from the top of the mountains to the great council hall (referred to in Government's Ex-

(Testimony of Virginia La Ferrera.)

hibit 11, the March, 1936 issue of "The Voice," at page 16). The Ballards did not tell me on that trip that they had gone to this great council hall, but on other occasions they told me that they had. I was with the Ballards on this trip to the Teton Mountains the entire time of the trip.

Exception No. 49

Over the objection of defendants, on the ground of hearsay, the witness testified that in the last of 1937 that Mr. Ballard had told her that when she was asked by students as to whether she had seen Saint Germain, that she should simply reply that she was not permitted to discuss it, that she did not know whether Mrs. Ballard was present or not. Exception was taken.

I followed such instruction until shortly before I left the Ballards' staff and activity. Just prior to the time I left, at a staff meeting the Ballards said that there were some of the staff who were disloyal and that if Saint Germain felt that he had to dismiss them from the staff that they wouldn't live six weeks in the outer world, and then both Mr. and Mrs. Ballard said that if we were dismissed from the staff [205] we would rise in agony and go through the second death. After I left the staff I was in a reasonably good state of health. (Tr. Vol. 10, p. 1393.) [206]

(Testimony of Virginia La Ferrera.)

Cross Examination

During the entire time that I was in the I Am movement, I was sincere. I believed in the principles that were first set forth. There were things that were probably brought in later that I hadn't known when I first went into it. I don't know that I could say what they were specifically, but if given a little time to think I probably could. If I think of them during my cross examination I will express them. While I had faith in the principles of the work, I am afraid I didn't have faith in the Ballards during the whole time I was in the movement. Shortly after I became engaged in the work, little things arose that would bring doubt in my mind as to their sincerity. From time to time I asked questions of the Ballards about things I couldn't understand and was told that I wasn't to entertain such questions. I lost faith in the Ballards during the Chicago class at the time Mrs. Bliss left the activity. She was and is a good friend of mine. I can't say that her leaving the movement influenced me, but it showed me many things that I thought were one way, weren't.

Sometimes in the staff dictations, Mr. Ballard would talk two and a half hours; sometimes, only a half hour. He did not talk in these dictations which were supposed to be coming from the ascended master, through himself as a mouthpiece, about money, radio hook-ups and reading rooms, except as kind of a ceremony. That wasn't part of

(Testimony of Virginia La Ferrera.)

the staff dictation. The staff dictations were separate from the other meetings at which the money, radio hook-up, et cetera, were discussed. These staff meetings without dictations continued for about a year after I became a staff member. Usually Mr. Ballard spoke, but sometimes he would say, "Mama, I am tired, will you do it tonight?"

Of course, there were many more decrees and much more of a ritual than I have outlined. There was a pure gold chalice [207] that was placed in the center of the circle in which we stood. In it were placed gold coins and trinkets of gold that were donated by various members of the staff and on top of it several sheets of paper. On these papers were names of Max Gysi and Harry Sieber who had left the work, and different ones who were no longer in the Light, and one of the decrees was that they ask Saint Germain and the host of ascended masters to blast from their carcasses these individuals from the face of the earth. They would bless the coming class, bless the hall and charge it with the radiations of the ascended masters and to see that it was filled to capacity and see that the work expanded to where there weren't halls big enough to hold them. They asked that the people be blessed. They asked that a million dollars be released tax-free into the hands and use of the messengers.

I did not attend in any facetious manner. I felt it was a privilege to attend. I felt a reverential at-

(Testimony of Virginia La Ferrera.)

titude. During this entire period I tried not to exercise my own opinion at all. In any ordinary affairs of my life that were at all important, I consulted the Ballards.

At first, I thought the ritual rather odd, but got more or less used to it. That routine lasted for less than a year. No reason was given for changing the routine. At the staff meeting at which dictations were given, members of the staff would sometimes interrupt to ask Saint Germain questions. Mrs. Ballard would ask Saint Germain questions. I asked a few. The answers were my law. Sometimes the staff members would ask Saint Germain about former embodiments and he would tell us all who were in a former embodiment. I don't think it occurred to me to inquire in my mind as to whether I believed these statements or not. Some of them seemed pretty fantastic. I guess I was completely in a daze. I remember what went on, but I was certainly influenced in my mentality. [208]

I was first interviewed by the Post Office Department in the Spring of 1940. They contacted me. I related to Mr. Callahan my experiences. Whether he took them down in writing, I don't recall. My memory was better then than now. I have heard the Ballards say that if they felt a physician was required; until they were able to aid themselves, that it was best to have a doctor's assistance. I didn't think that applied to the Ballards.

I heard in the discourses or lectures references

(Testimony of Virginia La Ferrera.)

made that doctors, surgeons and physicians were to be utilized in this life to bring about the healing of human ills. I have heard similar statements made as contained in Government's Exhibit 54, at page 35, to the effect that our marvelous doctors and surgeons should be blessed forever for all they have accomplished.

When Mr. Ballard asked me for the alka seltzer, I believed I was surprised that one who was supposed to be a messenger would ask for such an agent. I am familiar with the discourses contained in Government's Exhibit No. 5, page 236 of the "I Am Discourses;" also page 82 of the same exhibit, but that didn't apply to the Ballards.

Mr. Cannon read from Exhibit No. 5, page 236 and at page 82 thereof.

When it got to the time that Mrs. Ballard had the ulcerated throat, I was doubting very greatly. When Mr. Ballard asked for the alka seltzer, I didn't doubt but was surprised. There were other times when the Ballards mentioned the matter of remedial agents to help them regain their health, but by that time I guess I just took it for granted that they were falling off the plan. I still went on serving who I thought was Saint Germain. I was in good faith until the time that I left the enterprise.

Mr. Ballard announced on more than one occation that the diamond that he wore on one hand had been given to him by a Milton [209] Edgar and his

(Testimony of Virginia La Ferrera.)

wife. The yellow diamond that was supposed to come from the Yellowstone mines was a different diamond. I was present when it was given to him by Mrs. Mildred Boos. It was a 11.80 carat stone. Mrs. Boos didn't say it came from the Yellowstone Diamond Mines, but Mr. Ballard publicly stated so at a meeting in front of other people. I think Mrs. Rogers and my husband were also present. He stated this on several occasions and also that the 12 carat diamond that Mrs. Ballard got from Mrs. Boos came from the same source. Perhaps Mrs. Kitchem was also present.

I certainly did not believe the statement contained in the November, 1938 issue of "The Voice" (Government's Exhibit No. 43) to the effect that the songs, "Rainbow Rays" and "Rose of Light" both came forth through Mr. Ballard. I couldn't do anything about correcting it. I still continued in the activity. When Mr. Ballard said that these songs had healing power, he didn't say that I had told him so. The statement "Each of these records contain the lyrics and music by Godfre Ray King (our own beloved Mr. G. W. Ballard) which are especially charged with powerful healing. The other Music and Lyrics contained on these records were written by Virginia and Vinton La Ferrera and Catherine Rogers." is correct, part of it anyway, but I still maintain he didn't write the music. Mr. Ballard did not write any of the lyrics or music referred

(Testimony of Virginia La Ferrera.)

to in Government's Exhibit No. 49, the May, 1939 issue of "The Voice," referred to at page 52.

My husband traveled with me and the Ballards after the Shrine class in July of 1938. I am acquainted with my husband's handwriting. This exhibit consisted of two pages. Defendants' Exhibit "P" for identification was marked.

The handwriting in Exhibit "P" for identification is that of my husband. [210]

On a number of occasions Mr. Ballard would sit at the piano and attempt to play something. He did not ask me to write it down, but his idea was that I would get a fragment of the theme and would develop it. Usually he would come in with the lyrics and I would play it a certain way and then another way and then he would take his choice. I would ask Saint Germain to help me find some kind of a theme that Mr. Ballard was trying to have me develop because I could find nothing in what Mr. Ballard was trying to play. This would be a silent prayer I would make. I got the idea that Mr. Ballard wanted me to write down what he was playing because he would say we had a song to write and apparently it was to be his song, so I tried to get his idea as to whether it was to be three quarter melody or four quarter melody, but he didn't understand time, so I didn't have much assistance. (Tr. Vol. 10, p. 1429.)

(Testimony of Virginia La Ferrera.)

I was told in classes that one's own life energy with which the decrees were given carried the quality of one's own mind and body out into the universal to effect the person who was to be blessed by the decree. At the staff meetings a great deal was said about the change of government of America for the better.

I am not vicious in this case. I haven't any feeling against the Ballards at all.

At the classes it was stated in the decrees that all the discord that was built into everything in the government be set aside and an ascended being take the presidency. They talked about the preservation of America but I don't know about its institutions. At these staff meetings they mentioned about blasting the carcasses of certain government officials. At first the teachings were that one should not use at any time any destructive force and it was quite a shock when I found out we had to do other things. It is true that the matter of the blasting of [211] the carcasses of government officials took place in the first set of meetings that I attended but I was a student since 1935. It is true that from the first meeting I attended of the staff they spoke about blasting carcasses of certain government officials and anyone else who opposed the work. That was in 1937.

Similar statements to the statements contained in the July, 1936 issue of "The Voice," Government's

(Testimony of Virginia La Ferrera.)

Exhibit 15, on page 26, were constantly given out at these classes.

Mr. Cannon for the defendants read from Exhibit 7, page 97; Exhibit 15, page 26; Exhibit 51, the July, 1939 issue of "The Voice," at page 16, and also from Exhibit 19, the November, 1936 issue of "The Voice," at page 39.

Exception No. 50

Redirect Examination

By Mr. Lazarus:

Q. Mrs. LaFerrera, speaking of patriotism of the accredited messengers, you have also on various occasions heard Guy W. Ballard say he was the reembodiment of George Washington, have you not?

A. Yes, sir.

Mr. Cannon: Just a minute. I object to that on the ground it is leading and suggestive.

The Court: Yes.

Mr. Cannon: And, furthermore, your Honor has ruled we will not be able to prove the truth or falsity of that statement, therefore it is not up for ridicule.

Mr. Lazarus: The matter of patriotism has been brought up. I think anything that would tend to throw any light on it, whether pseudo patriotism or true patriotism, or whatever it might be, is relevant.

The Court: The defense has opened it up and I think [212] the Government should be permitted to show up any other remarks that have been made by the defendants with reference to the Government

(Testimony of Virginia La Ferrera.)

that would come under the general heading of patriotism.

Mr. Cannon: If the Court please, how could whether or not Mr. Ballard believed he was George Washington have any bearing upon the question of patriotism?

The Court: Unless it was in ridicule of the Government.

Mr. Cannon: I beg your pardon?

The Court: Unless it was in ridicule of the Government.

Mr. Cannon: Oh, yes, if it was that, but not even counsel contends that.

The Court: I can't tell until the testimony is before me, counsel.

Mr. Peterson: Counsel concedes it wasn't ridicule, doesn't he?

Mr. Lazarus: I don't know what was in Mr. Ballard's mind at all times. I will concede it was said in all seriousness.

The Court: It isn't ridicule, then, is it?

Mr. Lazarus: Then let's put it as apparent seriousness.

Mr. Cannon: Then it isn't admissible.

The Witness Continuing: While I was with the I Am organization I heard dictations of the ascended master K-17, the ascended master of the inner secret service.

Mr. Lazarus thereupon read from Exhibit 54, at pages 27 and 30 of the October, 1939 issue of "The Voice."

(Testimony of Virginia La Ferrera.)

I received two papers, one entitled "Saint Germain's Talk to Staff—Yosemite, August 17, 1938" and another, "Saint Germain's Recent Requests to the Staff." The first was given to me in August of 1938 and the other around December 6, 1937, at [213] West Palm Beach. The paper entitled "Saint Germain's Talk to Staff—Yosemite" was introduced as Government's Exhibit 128, and the other, entitled "Saint Germain's Recent Requests to the Staff" was introduced as Government's Exhibit 129.

Mr. Lazarus read from Exhibits 128 and 129.

The words to the music I wrote were written by Mr. Ballard and then he and I rearranged them to make the meter work out right with the music. Most of the words were changed by the time the song got into form for publication.

The reason I stayed in the movement after I began to doubt was because we were told we would have doubts and must weather them. This, I tried to do. Well, we were told that doubt was one of the tests that we had to go through, and it was just like an initiation, and that if we weathered it, we would have passed that test, and so I used to have what I called my little shelf and every time I had a doubt I put it up on the shelf, and finally the shelf broke.

Mr. Lazarus read from "I Am Discourses", at pages 82 and 236.

As part of defense cross examination, defendants were allowed to introduce into evidence Defendants'

(Testimony of Virginia La Ferrera.)

Exhibit Q, being a song book, the "I Am Song Book."

Recross Examination

I had not heard of the destruction of the submarines by issuing a call before I left the activity, but I had heard that the war entity was destroyed. I do not recall that it was explained to me that the issuance of that kind of a call was the same kind of a call that was issued by the children of Israel when the walls of Jericho fell. I remember no reference to the children of Israel or the walls of Jericho. The reference in Exhibit 129, "Your decree for placing Me in the Presidential Chair has enabled Me to do certain things in the government" was understood by me to mean that the tangible presence of an ascended master would be put in the presidential chair. I don't explain why the past tense was used in that phrase" * * * has enabled [214] me * * *". I have heard the statement made at staff meetings that we should not mention persons' names in politics because this was not a political organization.

Redirect Examination

Decrees were made from time to time to blast the carcasses of individuals that they considered vicious toward the activity. I am not acquainted with the particular song book put in evidence by Mr. Cannon, but I am acquainted with the song book. In that song book some of the words of "The Star Spangled Banner" were changed.

MAUDE MILLER HILL

was called as a witness by the Government and testified as follows: (Tr. Vol. 10, p. 1469.)

I reside in Chicago. I am acquainted with all of the defendants and was acquainted with Guy W. Ballard before his death. I first became interested in the Ballard organization in 1934 at a class conducted by Margaret Pettit. I met the Ballards in Miami, Florida in 1935. I have attended classes in various parts of the country from 1935 to 1939, in Miami, Dallas, Detroit, Chicago and Los Angeles. I traveled from my home in Chicago to these classes.

In the various classes I heard representations made by the Ballards on the subject matter of cataclysms. Also representations were made about the appearance of ascended masters. The classes extended from seven to seventeen days. The meetings were twice a day. During each session, that is, each ten day period, several dictations would be given. We were told that we could expect the ascended master to appear physically before the classes at any moment, that the only thing that prevented it was that some of the people in the class didn't understand and didn't believe, and hence could prevent a master coming. At these classes we heard about precipitation and ascension.

I first met the defendant Louise Majerus in Chicago in 1935 when Mrs. Ballard introduced us. Mrs. Ballard said that [215] Louise Majerus was an authority in the work of the Ballard organization.

(Testimony of Maude Miller Hill.)

Thereafter I purchased books from the Saint Germain Press, Inc. through Miss Majerus. I received a pamphlet entitled "Saint Germain Press" with an order of books I ordered through Miss Majerus.

Said pamphlet was introduced in evidence as Government's Exhibit 130 and Mr. Lazarus read the same to the jury.

One time, while in Chicago, Miss Majerus told me that Mr. and Mrs. Ballard had told her that we could expect the cataclysm very soon. This was in late August or early September of 1936. This conversation took place at Hill's Cafeteria in Chicago, which my husband owns. Miss Majerus said that she would advise me to draw all money out of the bank and keep it on my person, as the time was imminent and we should be prepared for the great cataclysm, particularly the southsiders because the stock yards were to be wiped out and we would feel quite an upheaval there. The Ballards said that Saint Germain had told Mr. Ballard to record his experiences, the true experiences, had with the master Saint Germain, and that the world was now ready for these experiences as they were recorded in the "Unveiled Mysteries," and "The Magic Presence." I was also told that Mr. Ballard had been instructed to record the experiences of Mr. and Mrs. Ballard and Donald in these books, also in the third book, "The I Am Discourses." They said that they were divinely inspired and later Mr. Ballard gave discourses from the platform and at different people's homes where

(Testimony of Maude Miller Hill.)

he received these discourses from the masters in letters of living light. They were flashed before his eyes like on a ticker tape. At first he had difficulty reading them, so he closed his eyes, but later when he became accustomed to reading them, kept his eyes open.

In my home, Mr. Ballard received a dictation from the [216] Queen of Light. I didn't see the Queen of Light. The dictation was in Mr. Ballard's voice.

I read all three of these books and also "Ascended Master Light," "Adorations and Affirmations," and most of "Ascended Master Discourses."

Mr. Lazarus read from "Unveiled Mysteries," pages 8-12, inclusive, and from "I Am Discourses," page 13; "Ascended Master Discourses," page 9; "Ascended Master Discourses," page 11 and "Ascended Master Light," pages 8, 9.

During my association with the Ballards I gave them money. I put $5 in the love gift box at each meeting that I attended, both afternoon and evening classes. I also gave Mrs. Ballard seven $100 bills at different times between 1935 and 1939. I also gave Mr. Ballard three $100 bills. Mr. and Mrs. Ballard had said that if we did not learn the law of giving that we would not receive. This was said both in class and privately by the Ballards.

Mr. Lazarus read from page 244 of "Unveiled Mysteries."

(Testimony of Maude Miller Hill.)

I heard Mr. Ballard use the expression "twin ray." I understood his "twin ray" was Mrs. Ballard. He also said that Marjorie was not Donald's "twin ray," that Donald's "twin ray" was ascended. I dont remember that I heard Mr. Ballard say that Mr. Ballard was his "twin ray," but I do remember about Donald. I have heard Mr. Ballard refer to "Lotus" as being Mrs. Ballard.

I heard Mrs. Ballard use a certain little phrase as follows: "It isn't the dime that buys your pie, it is the letting go of the dime." She also used an example of someone with a tightly closed fistful of pennies, and if you didn't give the pennies out, how could you open your hand and receive hundred dollar bills.

Relative to the ascension, we were told by the Ballards that if we would visualize an imaginary violet consuming flame that would purify our body and take away all the discord and the qualities and remove the human creation about us, with a great desire [217] upon our goal, together with living apart from our husbands, to not eat garlic or onions, to think only kind and loving thoughts, and to keep our attention upon our ascension and to keep our picture formed in our mind,—we were to visualize our ascension to really feel it and know that it was going to take place. We were told that we would purify our physical bodies by giving obedience to the laws set forth in the books, and that we would ascend with the physical body and take it on up out

(Testimony of Maude Miller Hill.)

of the earth's atmosphere, that there wouldn't be any trace of the person left.

I read "The Voice" magazine during my association with the Ballard movement. I made personal purchases of the books from the Saint Germain Press.

Mr. Lazarus read from "The Voice," the October, 1936 issue, page 12, Government's Exhibit 18; also from Government's Exhibit 41, the September, 1938 issue of "The Voice," a Beloved Victory's Discourse.

I own four sets and gave away about five complete sets. The reason I had the different sets to give away was because we were told the world was ready for them. At one time we were told in the reading room not to let people stay too long, that an hour was plenty for a person to sit there and read the books. One time Mrs. Ballard came to Chicago and there were people who had been sitting in the reading room a long time. She said to get them out, not to let them sit there for a long time, that they were entities and to clear the air, so some of these people wanted to read the books very badly so I used the four sets that I had to let some of the people take a set, or one of the books, or a copy home with them. I rotated them around. Mrs. Ballard said the reading room was for new students. Everyone who was a hundred percent member or actively interested in the movement had their own

(Testimony of Maude Miller Hill.)

[218] copies and were told to own their own copies, and they had no need of the reading room.

In response to the Court's question, the witness stated that at the time that she left the movement the set of books that she referred to included "Unveiled Mysteries," "The Magic Presence," "The I Am Discourses," "The Ascended Master Light," "Ascended Master Discourses," and at first a small book known as the "I Am Affirmations" which was later enlarged with I Am Decrees in it and Affirmations.

Mrs. Ballard made reference to the ascension of Jesus. She read of the ascension of Jesus from the book, "The Prince of the House of David." She told us to get the feel of the ascension that way; that she had been the maiden who wrote the letters, the little Adena, the little Jewish maiden who wrote the letters to her father describing the ascension of Jesus, and that Mr. Ballard had been the Roman centurion; that they were present and that many of us were present during the ascension of Jesus. This Jewish maiden, Adena, was mentioned in the book, "The Prince of the House of David." (Tr. Vol. 11, p. 1522.)

Mr. Lazarus read from "The Voice," Government's Exhibit 32, page 3, the December 1937 issue; and from "The Voice," Government's Exhibit 45, page 9, the January 1939 issue.

Mrs. Ballard said that the black magicians were often advanced students, or Chela, who had accom-

(Testimony of Maude Miller Hill.)

plished much and had gone far towards perfection, and at some place they had failed and turned around and used destructive force instead of constructive force.

I was still reading "The Voice" magazine in January of 1939. In July of 1938, in Los Angeles, Mrs. Ballard said about my appendix that it was not my own discord of past conduct that caused me to undergo this operation for appendicitis, that it was because my light had grown so bright because of my [219] service to Chicago, that the forces of darkness were attacking the light, and that a black magician had his tail in my side and that Mr. and Mrs. Ballard grappled with it and were unable to bind it, and that they called in Saint Germain and it was even too vicious for him, so they called on the Great Divine Director and the terrible black magician was bound and seized and removed from this earth forever. The appendix had already been removed when this conversation occurred. I believed this statement of Mrs. Ballard. I thereafter continued to help in the reading room. I had my appendix removed in April of 1938 and the conversafion took place in July, 1938.

Exception No. 51

Motion was made by the defendants to strike out the testimony of the witness pertaining to the appendix being the tail of the black magician, on the grounds it was wholly immaterial, that there was no charge in the indictment to sustain it, that it was a

(Testimony of Maude Miller Hill.)

statement of a past occurrence that couldn't possibly have been a part of a scheme to defraud; that it was an attempt by the prosecution to get inflammatory testimony before the jury. The motion was denied and exception taken.

The Witness Continuing: I first met William J. Cassiere in Los Angeles in 1936. He and Mrs. Bliss, Mr. and Mrs. Ferguson, and Mr. Stickell were introduced by the Ballards as appointed messengers of Saint Germain. Appointed messengers were those appointed by Saint Germain through Mr. and Mrs. Ballard, who were the accredited messengers. I attended classes conducted by Mr. Cassiere at which classes love gifts were taken and books sold. I received a series of pamphlets from Mr. Cassiere from different cities regarding the conduct of his classes.

These pamphlets were introduced in evidence as Government's Exhibit 131. [220]

I received two letters signed "Brother Bill" from defendant Cassiere, one dated April 28 without year, and the other dated May 20, 1937.

The two letters were introduced in evidence as

GOVERNMENT'S EXHIBIT 132,

and were read to the jury by Mr. Lazarus as follows:

"William J. Cassiere

"April 28..

"Oh you Sweetheart—you Darling—Husband or no—I'll hug you when I see you. (THREAT-

(Testimony of Maude Miller Hill.)

AND PROMISE.) The price is Ok for the Hotel and I feel we can secure very comfy chairs reasonable enuf.

"Tell the Princess ok and also tell her I said that Maude was also a Princess. (is—not was—)!!!

"The Book sales to the Reading Room. I'd work in her staff for that even in my class —but—I happen to have a couple who travel with me who sell books and pay their own expenses that way. I'll have my class at 11:30 and at 3 or something like that (for those Sundays.

"Now for the North side and I'll be happy.

"My Love—Peace—Light

"Forevermore

"BROTHER BILL."

A letter dated May 20, 1937, to Maude Hill:

"Beloved Sister of the Light:

"Because of the press of correspondence, arranging for classes, and one thing and another, I did not seem to have time to answer your wonderful letter of May 12th. [221]

"I am grateful beyond words for your offer to do anything that you can to be of further ~~assistance to me~~. You have been a darling all the way through, in doing as much as you have done. It was so sweet of you to reserve a room with bath for me at the Hayes Hotel. I shall

(Testimony of Maude Miller Hill.)

be happy to avail myself of those accommodations.

"God bless you & love you!!!

"Paul Stickell's class no doubt is finished by this time, and I trust that you became well acquainted with him, and that the class was a big success.

"Thank you for sending me the leaflets about Muriel Bliss. Always glad to be informed of what is going on. See enclosures!

"Even tho my recent Denver class was not in virgin territory, there was plenty there to crack; and you know what a "cracker" I am.

"If you see any of those blessed San Franciscans, give them my Love and Blessings, because I sure do love 'em.

"And you too, blessed one. Love, Wisdom, Power: LIGHT to you!

"Ever yours in its Service, I AM

"BROTHER BILL.

"Love to the Princess too and her crew—her students and her Royal family!"

I heard Mr. Cassiere make similar statements at classes as the Ballards made relative to ascension, also relative to cataclysms; also relative to healings. He invited the ascended masters to make appearances in tangible form at [222] his classes, but I never saw them.

I received a letter from Guy W. Ballard dated

(Testimony of Maude Miller Hill.)

July 4, 1935, from the Hotel Figueroa. This letter was received in Evidence as

GOVERNMENT'S EXHIBIT 133,

and was read by Mr. Lazarus:

"Mr. and Mrs. Hill,

"Beloved Students:

"So long I have wanted to write you, since our delightful, blessed stay in your home in that beautiful spot. How we should love to come again or going east but feel that is not possible, this season and who knows what blessing are in store for next season.

"It looks now that it will be necessary for us to give another class in San Francisco before going east. In that case we will return east in the most delightful month September.

"How we did enjoy being there with you in your blessed home. We shall never forget it and how we had hoped you could be here for class. We did have marvelous trip through Yellowstone, the Tetons, Bryce, Grand and Zion canyons, finishing at Boulder Dam the most marvelous achievement of modern engineering.

"I am constantly asking the Mighty 'I Am' Presence and the Host of Ascended Masters enable them to make a very rich strike at your mine there. That it may re-enact the marvels of the Rayborn experience." * * * *

(Testimony of Maude Miller Hill.)

"Have just received our first shipment of the marvelous new pictures of Saint Germain made by Mr. Sindelar who is in New York having [223] them made now. The page proofs of the 'I Am Discourses' will be here Sat. morning. In two or three weeks they will be off the press."

"* * * *

"THE BALLARDS

"Per G. W. B."

We had a gold mine on some property we owned near Yosemite, where the Ballards had stayed at our Yosemite home.

Mr. Lazarus read "The Magic Presence," Government's Exhibit No. 4, at pages 45-49, and at pages 143-145.

I was acquainted with the defendant Betty O. Mundy. When I first met Mrs. Mundy, the Ballards were guests at her home and she was making them comfortable. This was in 1935. She had no servants and was waiting on them herself. Then she went with the Ballards from Miami and did their typewriting and later took charge of selling the books at the book counters. I received a letter dated July 23, 1936, signed "Betty," which was in the handwriting of Betty Mundy.

(Testimony of Maude Miller Hill.)

Said letter was introduced as

GOVERNMENT'S EXHIBIT 134,

a portion of which was read to the jury by Mr. Lazarus as follows:

"Figueroa Hotel,
"Los Angeles, Calif.,
"July 23, 1936.

"My dear Maude Hill:

"Am I dreaming or did I see you in Los Angeles recently? The time passes so rapidly, so swiftly that I hardly know whether it's real or not, and just to think I did not get to see you again before you left for Chicago. I presume it was because Mrs. B. and I had gone up in the mountains to work on manuscript for [224] the Magazine. We were up there five days and it surely was marvelous to be where it was quiet, no telephone, no interruptions, no nothing but just stick to work and we did accomplish getting manuscript ready for two month's of the Voice, and will they be hot ones, August & Sept.

"I know you are busy with your work and doing things since you returned and I'm wondering if you received a copy of the Entity Affirmations before you left. To make sure I am sending you one; also a copy of Mr. B.'s July 4th Invocation and St. Germain's talk to the Messengers on July 3rd. These are both com-

(Testimony of Maude Miller Hill.)

ing out in the Sept. issue of the Magazine, but I want you to have them to study. The two decrees made for siezing and bind entities I think the most wonderful yet and I personally get more kick out of using them than these I am enclosing, but these are the ones Groups are using out her en masse, also individuals. I use them all, but these in the July 4th article are so to the point and powerful that I find myself using them. I have made a list of things and conditions I go through daily and if I have left out anybody or anything that needs a swat I don't know where it could be. I start with Official Family, take in the Government, on down to political activities, criminals, penal institutions, insane asylums, schools, colleges, metaphysical activities, occult activities; doctors, nurses, school teacher, policemen, firemen, aviators, stock exchanges, movie colonies, spiritualistic and Astrological [225] activities; drought, excessive heat; cemeteries and stock yards; radio stations, Sindelar Studios, Pelly H. Spencer Lewis, Spaulding, Jews and Jesuits. Messengers and Group Leaders, I AM Reading Rooms, I AM Students; Chicago Office and girls; also I have a few pet individuals out here that I give a swat occasionally, and does it work!!! Just try it out with dynamic activity and watch the effects.

(Testimony of Maude Miller Hill.)

"Of course I'm not telling you what to do, I just give you a sample of what I try to do daily, and always get through it once or more each day besides my other protective work, etc. If I did not stop and do this work I could not keep going with the other things I do, but it is marvelous how things open up when I stop and do this first."

* * * *

"Lovingly and Sincerely yours,

"BETTY"

I received a letter from Betty Mundy, dated August 8, 1935, through the mails. (Tr. Vol. 11, p. 1559.)

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 135,

a portion of which was read to the jury by Mr. Lazarus as follows:

"Figueroa Hotel,
"Los Angeles, Calif,
"August 8, 1935.

"My dearest Sister in the Light:

* * *

"I met your Auntie in San Diego and think she is perfectly lovely. I wish I could have [226] had more time with her, but you can imagine there is little time to visit while one is selling

(Testimony of Maude Miller Hill.)

books, etc. Perhaps we might see each other again and have a chat. I know you enjoyed having her with you in Ahwahnee, and she did have such a grand time. She also enjoyed the classes in San Diego so much; that is, those she attended, as I don't think she got to attend them all; however, she bought the books and has ordered the Discourses and I know with what you have helped her she will move forward in this work.

"We are expecting an advance shipment of the Discourses here for the L. A. class and the others should be out about the 20th. I take it that you will get your copy there in Chicago when they come out, so I will not attempt to fill the order you asked me to ship you, for you can get them there quicker than I could ship them from here and fear I might duplicate an order.

"There is so much I could say, yet when I sit down to write there seems little one can say. We have been on the jump pretty hard and will be for many months to come, however, the work moves forward, and in spite of all the things that come up, it moves toward Perfection all the time. Sometimes in my own experiences I marvel that Perfection can crowd through, but I find the 'Mighty I AM' works regardless of the human inharmonies, all it

(Testimony of **Maude Miller Hill.**)

needs is the call and an opportunity to move in." [227]

"* * * *

"Sincerely yours,
"BETTY O. MUNDY."

Mr. Stickell was an appointed messenger of the ascended masters. He held classes in various parts of the country. Love gifts were taken up and representations were made at these meetings regarding healing, precipitation, ascension, and appearances of ascended masters. In 1938, Mr. Stickell, in the presence of Mrs. Bliss, told me that he had seen the ascended master Saint Germain. He did not say in what manner he had seen him, whether he came in a blaze of light, stating that all he was permitted to say was that he had seen Saint Germain. He said he could understand how Mr. Ballard received letters of living light on a ticker tape because he, Mr. Stickell, had had the same experience. Mr. Stickell said he had given up a good law practice in Chicago to carry the light forth.

Cross Examination

Mr. Cannon read from "The Voice", Exhibit 15, page 8, and Exhibit 65, at page 165.

I attended a few of Mr. Stickell's classes and a great deal more of Mr. Cassiere's. Both taught the Ballard books, perhaps a different way of expression. I didn't see Mrs. Ballard within a month of

(Testimony of Maude Miller Hill.)

my operation. She did not tell me not to have an operation. I took an anaesthesia for it. I observed the stitches in my side afterwards. I saw my appendix removed. I had a spinal. The black magicians were described as individuals, not animals. My concept of them was very vague. I was not a member of the staff of the I Am, nor an appointed messenger, nor a group reader. Mrs. Pettit first told me about the I Am. It was in 1934. She, Mrs. Pettit, explained the operation of the presence and gave me the fundamentals of the belief. My daughter Alice was with me. I went to Mrs. [228] Pettit's home several times in the evenings and several other students were there. Mr. Stickell was not present. I first read the "Unveiled Mysteries" after I had met the Ballards in 1935. My daughter gave me the first one. Before I bought any books from the Saint Germain Press, I read this book of my daughter's. When I loaned the books, I did so with the thought of spreading the instruction. Sometimes I loaned the new books that came out before I had read them myself. I was a good friend of Mrs. Bliss, who conducted the reading room in Chicago.

The Ballards told me that Miss Majerus was their representative in Chicago at the Saint Germain Press in their absence. I saw her many times at the office of the Saint Germain Press. She did the clerical work there.

The discourse that Mrs. Ballard read in my home in 1938 came through the Queen of Light. It wasn't

(Testimony of Maude Miller Hill.)

so much about cataclysms, but more of a personal nature regarding the class. It was never published and I just remember spots of it. I cannot give the fullness of it. I don't remember any mention having been made by the Ballards about the spirit of God. I suppose that I heard them use the word "spirit." We were taught that the human body was the outer shell for the I Am Presence to work through. I was taught everything in the first three books. We were told that the cataclysm would be a great upheaval of the earth's surface. We were not told at the Ballard classes that the purpose of our giving was to spread the light of truth. We were told that we should give to all, because we could not expect to receive unless we gave. I was not interested in giving in the sense that it related to my health, as I had good health. When I gave Mr. Ballard the three $100 bills at different times I merely handed him the bill folded. The same thing happened with Mrs. Ballard when I gave her the seven $100 bills, except the time when I gave her a purse with a bill [229] in it. Mrs. Ballard didn't ask for the money, except she lectured about the law of giving, and that is why I gave. There might be a distinction between love gifts and gifts of love. I intended to give a gift. I loved the Ballards. I was principally interested in the ascension feature of the work. I wanted to be able to leave the earth and take my body with me.

(Testimony of Maude Miller Hill.)

My husband's name is Louie E. Hill. I called him "Louie."

A letter was marked for identification as Defendants' Exhibit R for identification.

This letter is in my handwriting. I read the first page of Government's Exhibit 3, one of the first things I read of the I Am movement. (Exhibit 3 is entitled "The Ascension" and appears on page XIII of "Unveiled Mysteries.") I read the Discourse of Saint Germain from the December, 1938 issue of "The Voice of the I Am" (Government's Exhibit 44, page 5). I was instructed as to certain things to do or not to do to attain the goal of ascension. I was told not to eat garlic, to live apart from my husband. I joined the 100 percent group of Zora Swingley at Chicago. (Tr. Vol. 11, p. 1615.) I can't remember just when I joined the 100 percent group. I was in court the other day when the 100 percent pledge was read but I think Mr. Rogers had a different one for his class than the first one that Mrs. Swingley had. I believe they were different. I think Mr. Rogers put a few things more in his class. The pledge I signed had the provision, "The Divine creative force is to be used solely for providing a physical vehicle for a brother seeking physical re-embodiment." We were told many times by Mrs. Ballard there wasn't time for that any more. During the course of my study I thought I had some manifestations of my own of the power

(Testimony of Maude Miller Hill.)

of healing. I recall a blue flame coming from my pen when I was writing at one time. [230]

A document was marked as Defendants' Exhibit S for identification.

I wrote Exhibit S for identification. I was referring to Mr. and Mrs. Ballard by "My Dearly Beloved Ones." In the previous letter (Exhibit R for identification) I was referring to Mr. and Mrs. Ballard as "Beloved Messengers of the Light."

Exhibits R and S for identification were received in evidence as Defendants' Exhibits R and S.

DEFENDANTS' EXHIBIT S

reads as follows:

"My Dearly Beloved Ones:

"I am so grateful to you for your letter of Love and Encouragement—How greatly have I been blessed, in having the privilege of having you in my home!! Do you know that sometimes I feel like pinching myself to find out if it really is true that so much can come my way! I know one should not condemn themselves, but sometimes I can hardly understand why I have been allowed such great blessings! I feel very humble, and oh, so grateful to you! for your love and instructions.

"I have another 'Miracle' to tell you. Remember at Ahwahnee, I told you I could not understand why my anniversary gifts were 'taken'—'misplaced'—'lost'—or something?

(Testimony of Maude Miller Hill.)

You advised me not to release and to know they were not lost.

"Well, where do you suppose they appeared? I awakened one morning last week with the conviction that I must go to my deposit box as soon as I could get there. I rummaged thru it—and in my large brown insurance envelope were reposing the Diamond & platinum Brooch and Pendant and also a valuable Russian medallion. They were [231] not there Christmas! I surely got on my knees and thanked the Presence—St. Germain and you—right there in the vault and I accept it as it was shown me! How can one ever doubt??

"Mrs. Mayer and Sherwood Pinkerton were here last week and one evening we were fortunate to have them and the Majerus sisters and Alice & Bee for dinner—it was such a feast of Light and Love and how much we thought of you Blessed Ones—I have been with you many nights lately and oh how marvelous it is to know there is no separation!

"We have been so blessed by becoming acquainted with the Majerus girls—they are so lovely and so sincere. Mr. Cassiere has been in to see us and brought in four people from Oak Park to dinner the other night. He is nice and I will send several to his classes in Peoria and in Davenport.

"I am so glad the Light is spreading and that

(Testimony of Maude Miller Hill.)

the classes are so powerful! Each night and many times daily I thank my 'Presence' and St. Germain and ask them to give you strength and courage and protection. Lou joins me in sending you a heart full to overflowing with Love and Gratitude!

"MAUDE M. HILL."

Exhibit S was written sometime between 1936 and 1939, I can't fix the date. My husband was in the cafeteria business when I wrote that letter.

DEFENDANTS' EXHIBIT R reads as follows:

"Ahwahnee, California, [232]
"July 13, 1935.

"Beloved Messengers of the Light:

"Let me try to express to you my deep gratitude for the beautiful letter you sent me. Taking your precious time to help and encourage me—well my gratitude is just simply boundless! Then too, you sent the Chart of The Magic Presence and it is my daily inspiration. How can I possibly thank you for your loving kindness?

"Last evening I finished reading your dynamic book "The Magic Presence"—I read it all thru very slowly, reluctant to turn the next page, I wanted it to last forever! The tremen-

(Testimony of Maude Miller Hill.)

dous Radiation it carries with it is indeed no Myth—last evening the Current was pouring thru me and coming right out the tips of my fingers! I thank my 'Mighty I Am' every day (many times) for the privilege of owning such a book and oh! you gave me something to carry me completely thru this life, when you gave me the joy of having you here those few wondrous days. I love you both and Don so deeply—After adoration to my 'Presence' and St. Germain—the Blessed Ballards are next and I send you all of the love of my being and ask the Presence to protect and hold you forever as the Ideal of America—because you are Ideal Americans.

"Louie was again called to Chicago and is taking over our Cafeteria business again. I am sure it is right and when we apply—consciously—our teachings how can we fail? I am [233] sure the Presence will release the fund in trust, in the bank, to him that he will have adequate means to get us established and started again.

"Our daughter, Alice's, husband has a splendid position in Davenport, Iowa, and is well advanced since the powerful radiation you send him—can you believe that he has been told (last week) that he is to be made Vice Pres. of the finance company he is working for? So—another one of your powerful rays has borne

(Testimony of Maude Miller Hill.)

fruit—can you possibly understand my grati tude?

"With an undying boundless Love, 'I Am' ever in the 'Light.'

"MAUDE M. HILL

P.S. I'll be seeing you in Chicago. M."

I recall the following subjects from Government's Exhibit 7 in evidence, the "I Am Adorations and Affirmations and I Am Decrees:" "Automobile Protection," "Aviation, transportation, communication, and public utilities," "To any City," "Any Country to Give Help," "Annihilate Lying and Deceit," "Army and Navy," "Alabaster Cities, the Holy Cities," "Appetites," "Annihilation of all Gambling," "Blessing of the United States of America," "Blessing for our Flag," "Blessing the Americas," "Eternal Protection of America," "Fear, Doubt, and Grief Entities," "Healing Angels," "Health and Law Forgiveness," "The Justice," "Legal Decree," "Light," "Mining," "Obedience to Divine Plan for Perfecting America," "Perfection in the I AM Work," "Protect America from War," "Perfect Weather Conditions and Crops," "The Press," "Policemen, Firemen, Aviators, and Public Servants," "Racial Distinctions," "Strike Agitators," "School," "Sight and Hearing," "Serums," and "Strikes." [234]

I recall decrees being given on all those subjects. I, in giving these decrees, would try to visualize

(Testimony of Maude Miller Hill.)

them and demand them, believing they would be given to me or take place. I was told that these decrees were given for the betterment of every channel in which there is anything constructive. (Tr. Vol. 11, p. 1629.) I heard Mr. Cassiere give decrees to hold back the cataclysms.

I know Max Gysi. He was in my home with the Ballards. A document was marked as Defendants' Exhibit T for identification.

I wrote that letter (Defendants' Exhibit T for identification).

Mr. Cannon read from "The I Am Discourses", Government's Exhibit 5, at p. 16.

Redirect Examination

When I wrote the letters to the Ballards and Mr. Gysi, I believed everything the Ballards told me. I read among the "I Am Decrees" those concerning ascension en masse; another, for blessing coming classes and auditoriums; another for charging energy in gas belts; another for the removal of entities, discarnate and carnate. We had decrees for the blasting of the carcasses of our enemies. Prior to the time that "The Voice," December, 1938 issue came out (Government's Exhibit 44), we were told that our ascension would be with our physical bodies, that ascension was never, never made after death. I know of my own knowledge when Guy Ballard died.

Mr. Lazarus read from Exhibit 44, at p. 14.

(Testimony of Maude Miller Hill.)

Recross Examination

You could not be a 100 percent student unless you abided by the sheet that you signed. All students didn't give up smoking, drinking and those things, so they weren't entitled to 100 percent status. Mrs. Bliss in Chicago, who conducted her [235] meetings similar to the Ballards, had books for sale at the reading room.

At this point there appeared to be no further examination by counsel, and Juror Darsie inquired as to what happened to the telegram about the appendix operation that the witness was to bring.

The witness replied that it was at her hotel room in a scrapbook and that Mrs. Bliss was going to bring it down tomorrow.

Juror Aldrich then asked when Mr. Ballard died, and it was stipulated that he died on December 29, 1939. The witness added that when she bought books she did not get a discount.

Thereupon,

further recross examination

was had and the witness testified as follows: (Tr. Vol. 11, p. 1647.)

In explaining that our physical bodies would ascend at ascension, they explained that that was the way Jesus had ascended, explaining that Jesus did not die on the cross, that the cord was never severed, that he never really went through death. Then, in reply to the question as to whether she had been told that the ascension would occur in the

(Testimony of Maude Miller Hill.)

same manner as in which Jesus had ascended, the witness replied she didn't think she was going to ascend from a cross.

"The Court: Just a moment.

The witness is very clear, Mr. Cannon, on both her direct and her cross examination on that point, and the witness' testimony is this: that the teaching was that under certain conditions the whole body would ascend, if this light was not broken, but if the person died then the light was broken and it was impossible to have physical ascension.

The Witness: That is right." [236]

PATON B. CROUSE,

called as a witness in behalf of the Government, testified as follows:

I live in Sierra Madre, and my occupation is industrial engineering with Vultee Aircraft, Inc. I have been so engaged for a year and a half and prior to that I was associated with the Ballards for about three and a half years. I worked in the capacity of personal secretary for the late Mr. Ballard. He died December 29, 1939 in Los Angeles. I started with the Ballards in July 1936 here in Los Angeles. My connection ended in March of 1940, likewise in Los Angeles.

Most of the time my principal duty was handling correspondence which came addressed to the Ballards or questions regarding the work or conduct of

(Testimony of Paton B. Crouse.)

study groups and reading rooms. During the last part, I handled almost all of the correspondence regarding study groups and reading rooms. I attended to the making of reservations at the various hotels and meeting places, the halls, and the setting up of the contracts. I worked under the supervision of Mr. and Mrs. Ballard at all times. During the period of time that I was with the movement, I was a sincere believer in the teachings promulgated by the Ballards, and even after leaving the movement in March 1940 I still believed in the principles and teachings of the movement for some period of time. I was with Mr. Ballard when he apparently became ill or was not as well as he had been formerly. That was most noticeable in Yosemite when we were staying at the Ahwahnee Hotel there in the summer of 1939. When I traveled from class to class during the last period of time, I would use the same room as Mr. Ballard. I looked after him constantly and was in constant attendance upon him. At Yosemite in the latter part of July, or the first of August, his ankles, which had been swelling for some time, became worse. The swelling became larger and larger and more and more painful, and from then on I massaged his ankles at least once a day and [237] then twice, and then later on more and more frequently. He also had a great deal of pain around his shoulders and his back, and I massaged them frequently. I also went out and bought things he wanted to use for remedies, salves and ointments

(Testimony of Paton B. Crouse.)

and liniments, and medicines to help alleviate the pain. I used to purchase a laxative for him and he used a laxative constantly from the beginning of my association with him. He used Feenamint more than anything else. He took Feenamint every night, as I recall, and usually two. He became more and more troubled with the illness in his feet and ankles and legs, until at Washington, D. C., he first missed attending a class, and he stayed in his room at that time and was given treatments and messages and chiropractic adjustments, and so forth, by Dr. Bressler there. He had been attending classes under the greatest sort of pain, complaining a great deal about the pain as he went on the platform and took his part. Sometimes he would leave the platform and come backstage so he could lift his feet up in the air and rest them while Mrs. Ballard and Donald carried on the class. Then he would go on the platform again. (Tr. Vol. 11, p. 1655.) Finally, in Washington, D. C., he missed one meeting because he couldn't go down, and from that time on his condition became worse until at the Los Angeles class he didn't go to class. The Washington class was in November and December of 1939. He was in bed a good part of the time during the stay at Washington, D. C., and from then on after he came to Los Angeles, I don't believe he left his room more than a half dozen times to go out. His room was at the Biltmore Hotel in the first place, then at the home of his son Donald. I was in constant attend-

(Testimony of Paton B. Crouse.)

ance while he was at the Biltmore. He was removed to the home of his son about three weeks before his death. A physician and surgeon was called in attendance three or four days before his death, although Dr. Bressler had been in attendance all the time. He came to Los Angeles with [238] Mr. Ballard, making the whole trip with him, taking care of him every day and night. He was a chiropractic doctor. Dr. Claude Davidson was the doctor who attended Mr. Ballard, and before him a Mr. McAlister, I believe. An operation was performed on Mr. Ballard prior to his death to tap the body cavity and remove large quantities of solution. I wasn't present in the room during the operation. I was present in the house and saw Dr. Davidson come there. I was present at the death of Mr. Ballard and saw his body after he died. His body remained here on earth and I was present at the funeral. Mr. Stickell was also present. Mr. Cassiere was not present at the funeral, but was present at the house before the funeral and after Mr. Ballard's death and right before his death. Betty Mundy and Donald were present at his funeral. (Mr. Neukom read from the March 1940 issue of "The Voice" page 19, and from Exhibit 29, the September 1937 issue of "The Voice", at page 16.)

During Mr. Ballard's illness and prior to his death I continued to do secretarial work and after his death, I continued to do secretarial work in

(Testimony of Paton B. Crouse.)

conjunction with Mrs. Ballard prior to the time that I left the movement in March of 1940.

I have seen Government's Exhibit 136 for identification, and I am quite familiar with it in conjunction with this work, in connection with answering letters received through the mails. I am also familiar with the folder, which is Government's Exhibit 137 for identification. It was used in conjunction with the other folder also; except as to the tabs, one is the original and one is a carbon copy. Exhibit 136 for identification is the copy that was used by the secretary. The Ballards received letters from time to time while I was with them and they would receive letters from time to time in which money or checks were enclosed. Such letters were received in the interval between the illness of Mr. Ballard, when he was no longer able to carry on to the full [239] extent, and the time when I left the movement. Mrs. Ballard received such letters. I recollect the subject matter and contents of letters received of the character just mentioned. I was in Los Angeles in December of 1940 when during most of that month Mr. Ballard was confined to bed. Letters were received at the Biltmore Hotel. I received most of them. I went down to the mail department and collected the Ballard mail for them. That was part of my duties. I got the mail and opened a good deal of it, and then, having read it, decided whether I should handle it or whether it was something for Mrs. Mundy, or something for

(Testimony of Paton B. Crouse.)

one of the other secretaries to answer, and also whether or not Mr. or Mrs. Ballard would be interested in it and want to read it. The Ballards had instructed me to handle the mail in that way. Then those letters which were from particular friends of theirs or had some particular important message in them were taken to Mrs. Ballard or to Mr. Ballard to read, depending on the nature of the message and who it was from. The other mail was turned over to Mrs. Mundy, if it concerned the radio transcriptions or the radio broadcasts, or the business matters in connection with the books. I guess I handled all the rest of it, to be answered with the use of these form paragraphs, (Vol. 11, p. 1668), or by dictation to a stenographer. The mail that I received other than that which was turned over direct to Mrs. Ballard during the illness of Mr. Ballard or Betty Mundy did contain checks and bills, currency. I recall letters which made mention of illness. I suppose if I thought long enough I could recall the names and addresses of some of the persons that asked for help.

Many letters received were of the character wherein the party writing mentioned the subject of illness. Between 25 and 50 letters a day were received in the last two years that I was with the Ballards. About half of the correspondence was in [240] the nature of a request for healing of some sort or another. I would say about a quarter of those letters enclosed money.

(Testimony of Paton B. Crouse.)

Exception No. 52.

I recall the name of a person writing a letter and the city from which it was received, a letter that stands out in my mind. I recall several letters received from a man in Boston. I can't quite recall his name, I am sorry. He was requesting healing in connection with his blindness.

Mr. Cannon: Just a minute. I object to that, if the Court please, and for the purpose of making my objection I ask that the answer go out. I make the objection on the ground there is no sufficient foundation laid.

Thereupon the objection was overruled by the Court. Exception.

The Witness: The gentleman was an attorney who published a book of aid to attorneys, something about how to ask questions in law. I think it was some sort of a question and answer book. He attended the class in Boston and was very much impressed by what the Ballards said from the platform concerning people who had written to them for assistance and had been healed after they had written to the Ballards—this is his quoting from what the Ballards said from the platform—and he therefore wanted an interview with Mr. Ballard so that Mr. Ballard could heal him. I took the request to Mr. Ballard and Mr. Ballard said he was sorry but he was too busy and couldn't see the gentleman. The attorney's selling of these books took him all around the country from town to town, so he would

(Testimony of Paton B. Crouse.)

write the Ballards from these other towns and each time he would write he would send a post office money order for five or ten dollars and would ask him to do some work for his eyes, to make decrees for them to be healed, and explained how necessary it was for this healing to be received so that he could continue his business of writing and selling these books. (Tr. Vol. 11, p. 1679) [241]

I am sorry, I cannot remember correspondence between the particular dates, December 15, 1939 and January 1, 1940, concerning any particular letter that was received requesting aid for their ailments and also enclosing money. I prepared answers to letters received between those dates. The procedure followed was established in November of 1939 in Washington. I had a conversation with Mrs. Ballard in which I asked her what she wanted me to do with the mail which, before that time, I had been taking up with Mr. Ballard. He was too ill to handle those questions and answer them himself, and I asked what was I to do about it, and she said to carry on just as I had been with him, handling the mail in the *say* way and take them to her for her signature instead of to him for his signature. So in carrying on that method I used, wherever possible, a set of form paragraphs similar to these I had written up to replace those in Government's Exhibit 136 for identification. I got Government's Exhibit 136 for identification from Mrs. Ketcham, a secretary, who was with the Ballards prior to my going with them and remained with them during

(Testimony of Paton B. Crouse.)

most of the time that I was with them. She handled a good part of the correspondence as secretary the same I did. I have seen Mr. Ballard look at the folders, Government's Exhibits 136 and 137 for identification. I have never seen Mrs. Ballard look at the folders. Mr. Ballard went over the different paragraphs with me, discussed whether they were worded the way they should be worded, whether that is the way he wanted his correspondence to go out, worded in that manner or not. I did not have a discussion with Mr. Ballard prior to his formulating of Government's Exhibits 136 and 137, as a result of which these letters were prepared. I heard Mary Ketcham discuss it with him in 1938 or late in 1937.

Exception No. 53

Q. What is your recollection of the discussion? [242]

Mr. Cannon: I object to that on the ground it is hearsay.

The Court: As to the hearsay, that will be overruled.

The Witness: I believe it was in Chicago during our class in Chicago. Mary Ketcham, Mrs. Ballard and myself were present.

Mr. Cannon: May my objection be renewed at this time?

The Court: Same objection. Same ruling. Exception.

(Testimony of Paton B. Crouse.)

The Witness: There was a discussion as to whether these paragraphs were worded in the way the Ballards wanted their paragraphs worded in the answers going out to these letters, the letters that were received in the mail and turned over to Mrs. Ketcham to answer. I also called Mr. Ballard's attention to the fact that Mrs. Ballard had objected to the use of form paragraphs back in 1936 when I first went with the Ballards, and Mr. Ballard said that that objection had been overruled, that Mrs. Ballard had withdrawn it, because the mail was so heavy they couldn't handle it with secretaries any other way. (Vol. 11, p. 1689.)

Exception No. 54

Mr. Cannon: I move to strike out that testimony that it could not be the declaration of a co-conspirator on the theory that it refutes any concert of action rather than to sustain it. It is an exculpatory statement and not an incriminating one.

The Court: Overruled. Exception allowed.

Mr. Neukom: Continue on. Give the further answer of that conversation.

The Witness: Mr. Ballard said to go ahead and answer the mail that way because a much larger volume of correspondence could be handled in that way and we were getting behind. We had at that time some three or four hundred letters that had to be answered, that had been waiting around for weeks, and we hadn't been able to catch up with

(Testimony of Paton B. C
them. He discussed that at that time. [243] Government's Exhibit 136 was before Mr. Ballard when that conversation took place. Thereafter, I observed Mrs. Ketcham reply to mail utilizing Government's Exhibit 137 and I used it myself. So far as I recall, the conversation between Mrs. Ballard and myself in November 1939 at Washington after Mr. Ballard became ill, was that I asked Mrs. Ballard if I should continue handling the mail in the same way it had been handled, and her answer was yes, only that I should bring the letters to her for signature. Between December 15, 1939 and March of 1940, I brought letters which I had caused to be written to her for signature. I recall from what source I received the contents of those letters. It was from the book of paragraphs, but not Government's Exhibits 136 and 137. That had been replaced by another set of paragraphs by that time. This is the one that Mary Ketcham used, and at the conversation that I talked to you about some time ago, we discussed with Mr. Ballard whether he liked the wording of these paragraphs. I suggested some other paragraphs that seemed to be worded more in line with the way the Ballards wrote their letters when they dictated them themselves, and Mr. Ballard approved these other paragraphs, so I can't say that I used these books. The preparation of the new set of letters or paragraphs must have been early in 1939 while I was working at the Biltmore Hotel and later in the Northwest as we went on our trip. I

(Testimony of Paton B. Crouse.)

don't know whether they were ever presented to or shown Mrs. Ballard. They were shown to Mr. Ballard and every word was gone over.

Exception No. 55

Q. Did you have a discussion with him on them?

A. Yes, sir.

Q. Will you relate the discussion?

Mr. Cannon: I object to that on the ground it is hearsay as against the other defendants, and no proper or any foundation laid. [244]

The Court: Overruled. Exception allowed.

The Witness: The substance of the conversation was that he liked those paragraphs better and wanted me to use them, but he would allow Mary Ketcham to continue to use these other paragraphs that she had been using right along. Mary Ketcham left the movement during the class in Chicago in September or October of 1939. I took her duties upon myself at Mr. and Mrs. Ballard's direction. During the period after she left, I had occasions to answer letters that had been received in the mail by using a paragraph from a book that I had prepared, the one I testified to just a while ago. Over a period of time, it would average probably 10 or 15 letters a day, that I would answer in that manner. During the time we were actually handling them, it would run 50 or 60 or more letters a day. It would accumulate while we were traveling and then we would clean it up. I would present the

(Testimony of Paton B. Crouse.)

letters after they had been typed and I had checked them over to Mr. Ballard for him to sign. Prior to doing that, I did not give the letters to Mr. Ballard to read. I had a conversation with him with regard to that.

Mr. Neukom: I am referring to the utilization of the paragraphs that you have testified to that you stated that he and you went over in the early part of 1939, the one that you prepared.

The Witness: The instructions with regard to that were when we read the letter and it called for help, we were to call to our own presence and to his higher mental body to have the healing sent and the work done and taken care of. We received the same instructions from Mrs. Ballard in connection with handling those letters. Then we would have the answer prepared and after it was prepared we would take it either to Mr. Ballard or to Mrs. Ballard for them to sign, and they would sign it. Mr. Ballard never read the letters that he signed. He would sign 50 or 60 letters, more or less; sometimes only 10; sometimes 80 or 90 in [245] a big stack, and we would just put them under his pen for signature. If I opened the letters containing currency, I would turn the currency over to Mr. Ballard. If he opened the letters, which he frequently did, he would take the currency out and the checks out and then turn the letters over to me, and then he would give me the checks to cash. Whenever he opened the letters he would give me

(Testimony of Paton B. Crouse.)

whatever checks were there. I would accumulate them until I had enough to be worth while making a trip down to cash the checks. (Tr. Vol. 11, p. 1698.)

I cannot give the substance of the paragraphs which I prepared with which to answer the letters. I can give the substance of some of the paragraphs. I do not have in my possession any of the ones that were used in my book. I left that book with the secretary then when I left. Her name was Bertha Livingood. I saw Government's Exhibit 136 being utilized to answer certain letters during the life of Mr. Ballard.

Thereupon

GOVERNMENT'S EXHIBIT 138

was offered and received in evidence. Said exhibit reads as follows: (Tr. Vol. 12, p. 1709.)

(Telegram) "Detroit, Michigan, May 2, 1938.

"Mrs. Maude Hill, Dearborn Hospital,
Madera, California.

"We are with you blessed one and all perfection shall fill you at once. Our love is like a mountain to protect and bless you with every good thing and to keep you protected without limit. Our arms are around you and all is well. All here enfold you in their love.

Ever in the Light.

"MR. AND MRS. BALLARD."

(Testimony of Paton B. Crouse.)

The Witness: The paragraph book that I prepared was prepared some time in the early part of 1939. The one Mary Ketcham used was prepared in Chicago in the latter part of 1937 or the early part of 1938. I utilized Exhibit 137 prior to the time I [246] prepared my paragraph book in 1939, between the time they were first written up and the time I prepared my book. In connection with letters received in the year 1938 as the Ballard class traveled from place to place and the writer of the letter mentioned illness and enclosed currency, I had occasion during the year 1938 to utilize Exhibits 136 and 137. I used it on many occasions, virtually every month. Every time we handled mail, which was for several successive days at each new location, each new town. The procedure was, having read the letter or during the reading of the letter, the number of the paragraph that contained the appropriate answer would be written on the face of the letter with a crayon. That number might be for a paragraph saying, "Blessed Student of the Light, we thank you for your letter of blank date," which the stenographer would then take from the letter. I would handle the answering of the letter myself and when doing so, I would have before me, sometimes four or five hundred letters, maybe. They were an accumulation sometimes of a period over several weeks. I would read the letters and as I read them would place symbols upon

(Testimony of Paton B. Crouse.)

them. As I read a paragraph that said, "Enclosed is a love gift," that letter, when it was opened, if it had a love gift in it, the word "love" would be marked in the corner of the letter, just the word "love", and no amount was written there. That would indicate that we would, in writing an answer, say, "Thank you for the love gift enclosed," except that we didn't say, "Thank you for the love gift," we used a paragraph that said, "Thank you for the expression of love enclosed," rather than stating that it was a love gift, then we would go on to the next part of the letter.

If it asked for help in connection with healing, we would pick out the paragraph that answered that as nearly as need be, and write the number of that paragraph on the face of the letter, and then a number representing a paragraph for a closing [247] to the letter. We would place the numbers upon the original received letter in crayon. The number would correspond with an index number in the paragraph book, Government's Exhibit 136. In doing this, I had the copy of the paragraph book with the subject, the original, Government's Exhibit 137, before me. The letters with the crayon markings were then all turned over to a typist. She would refer to the paragraph number and type it verbatim. I actually saw the typist have before her Government's Exhibit 137 and observed her writing the answers to the letters that I handed to her for reply. (Tr. Vol. 12, p. 1716, 1717.) After

(Testimony of Paton B. Crouse.)

completing them, she would bring a stack of the letters to me. I would take them to Mr. Ballard and he would sign them. He didn't read the replies, except when there was some reply that I thought needed some special attention on his part, and I would call it to his particular attention. The great bulk of them were never read. I would place this stack of letters in front of him, not too thick a stack, if there were too many I would put two stacks or three stacks one after another, and he would sign them one after another, and as soon as he had finished signing one I would pick it off the pile and he would sign the next one.

Exception No. 56

Mr. Neukom: Now that I have laid that foundation, your Honor, I am going to offer in evidence Government's Exhibits 136 and 137.

Mr. Peterson: There will be the same objection we have heretofore made. They do not tend to prove or disprove any of the issues in this case; hence they are inadmissible.

Said objection was overruled and Exhibits 136 and 137 were received in evidence. Exception allowed.

The Witness: Prior to the time I prepared my form book, I had a conversation with Mrs. Ballard with regard to letters that were going out in answer to letters that were being received. [248] It was toward the end of 1938, I believe. On one particu-

(Testimony of Paton B. Crouse.)

lar occasion, Mrs. Ballard said that she did not want letters going out acknowledging a love gift, or she did not want the letters marked showing the amount of money received, but only that they should be marked with the word "love" and the reply, in going out, should not state that we had received a gift, but rather to thank them for an expression of love received, and when I wrote up the first paragraphs that I used, I made that change. That is all the conversation had with Mrs. Ballard. I believe I discussed with Mr. Ballard at that time preparing a new set of paragraphs, and other paragraphs which we had been using which were a little bit too gushy and emotional, they wanted toned down a little.

I have seen the book which is Government's Exhibit 139 for identification before. That is my record of hotels where we stayed and the price paid per room. The record shows that from November 2, 1939 until December 7, 1939, we were at the Hotel Washington, Washington, D. C. I remember clearly the receipt of the letter which is Government's Exhibit 106 and the receipt of the check, conversations about it, and instructions from Mr. Ballard to send the letter back acknowledging it, and receipt of the check from Mr. Ballard for me to cash. The letter was received in Washington.

(Testimony of Paton B. Crouse.)

Exception No. 57

The letter, Government's Exhibit 106 (Count 9 letter), was offered and received in evidence.

Mr. Cannon: Objected to, if the Court please, as not being the best evidence; and on the further ground that it has no bearing on the issues in the case and could not be in furtherance or aid in the scheme set out in the indictment; also no proper foundation has been sufficiently laid for its introduction. May I add to that, furthermore, the communication is in no sense complete and does not purport to be. [249]

The Witness: I had nothing to do with writing the letter. I recall receiving this particular letter and I remember the receipt and the cashier's check. I kept it with similar checks received through the mail until I had accumulated some three or four hundred dollars worth. On that occasion it was more, being more like $1500 worth, and took them down to the cashier of the hotel and cashed the checks, having made a record of each check. I gave the money to Mr. Ballard.

The Court: It will be admitted in evidence, subject to the objection made by counsel. Exception allowed.

The Witness: Referring to the book (Government's Exhibit 139 for identification), between October 27 and November 2, 1939, we were at the Hotel Benjamin Franklin in Philadelphia. I had seen Government's Exhibit 105 for identification before on the date it bears. I also saw the original of

(Testimony of Paton B. Crouse.)

which this is a carbon copy. I have seen Mr. Ballard write many times and the signature on that exhibit is his, and I saw him write it, and the "P. B. Crouse" and "H. N. Rogers" are my signature and Mr. Rogers' signature. I saw all of them write it. Thereupon Government's Exhibit 105 was admitted in evidence. The original was not exhibited to Mrs. Ballard, but one of the signed copies was. The original was given to Mr. Woodard. The signed copy was shown to Mrs. Ballard in Los Angeles. I observed her apparently reading it. There was some discussion about it, and what was contained in it, and for the purpose for which it was to be used. Said

EXHIBIT 105

reads as follows:

"Los Angeles, California
"March 13, 1937

"Mr. E. H. Woodard
"742 S. Hill St., Room 418
"Los Angeles, Calif.

"Dear Mr. Woodard: [250]

"I desire to make this statement, concerning the matter we have been discussing, in the presence of yourself, P. B. Crouse and H. N. Rogers, the signatures of these parties being hereto affixed as witnesses:

"March 25, 1929. From that time on to November 1929 I remained in Chicago.

(Testimony of Paton B. Crouse.)

"'At this time a business opportunity was offered which required my presence in Arizona to make a report on some mining claims, which proved to be worthless which I reported.

"'At the close of the Arizona investigation further work for the same individual carried me into California where I was shortly left without funds.

"'I returned to Illinois in November 1931 taking up my residence in Homewood, a suburb of Chicago. In May 1932 we moved to Chicago establishing our residence, where it has been ever since.

"'I remained in Chicago until October 1934 holding Classes which were open to the public in our home, in down-town Chicago, in Riverside, Oakpark and on the northwest side of Chicago.

"'In October 1934 Mrs. Ballard and myself started out giving ten day Classes all over the Country, the first in Philadelphia, then New York, Boston, Washington, D. C., West Palm Beach, and Miami, Florida, Dallas, Texas, Los Angeles, San Francisco, Seattle, and other places, returning to our home in Chicago at intervals. All of these Classes were announced by published leaflets showing thereon the name of G. W. Ballard, and that he wrote under the pen-name of Godfre Ray King.

"'In February 1936 the publication of the monthly magazine, the 'Voice of the I Am,' was

(Testimony of Paton B. Crouse.)

started at the [251] Sindelar Studios, 2600 S. Hoover Street, Los Angeles. The various issues of this magazine have carried to the entire Country advance information of our itinerary and future Classes.

"(signed) G. W. BALLARD

"Witness:

E. H. WOODARD
P. B. CROUSE
H. N. ROGERS"

The Witness: I have seen the picture which is shown to me. It is the picture of Mr. Frank Kelly. (Vol. 12, p. 1734.) He was a student of the "I Am" during the time I was with the Ballards. Mr. Neukom read from Government's Exhibit 104, a letter dated June 30, 1939.

I received while traveling a letter from Mrs. Kelly, possibly in Minneapolis or one of the towns between our trip from Los Angeles to Chicago. The letter was addressed to Mr. and Mrs. Ballard. I turned it over to Mr. Ballard, along with the rest of the mail received. He opened it but didn't read it, or discuss its contents with me. I heard of the death of Mr. Kelly. I had a discussion with Mr. Ballard concerning Mr. Kelly's death shortly after he died.

In April of 1939, Mr. Ballard informed the staff concerning the death of Mr. Kelly. After news of Mr. Kelly's death, I heard Mr. Ballard deliver a

(Testimony of Paton B. Crouse.)

dictation regarding Mr. Kelly's making his ascension six weeks after letters were received from Los Angeles setting forth the fact that Mr. Kelly had died. That was in Chicago. Mr. Ballard received a letter from Mrs. Kelly from Los Angeles. The letter was brought to my attention to read six weeks later at Chicago. I took it to Mr. Ballard and Mr. Ballard returned it and said it was very wonderful. That night it was read again to all members of the staff at a staff meeting. Mr. Ballard took it and Mrs. Ballard had it. After having read [252] the letter, there was some discussion between all of us and the staff generally as to whether or not Mr. Kelly had made the ascension. The first time Mr. Ballard discussed Mr. Kelly's ascension was in Minneapolis. That was after the letter from Mrs. Kelly had been received but before it was read. He said he didn't know whether Mr. Kelly had made his ascension or not and, therefore, for us not to write any reply to the letters received asking whether he had made it or not. That was after the letter was received from Mrs. Kelly but before it was read. It was two days after the letter from Mrs. Kelly regarding Mr. Kelly's ascension was read that Mr. Ballard made any comment regarding Mr. Kelly's ascension.

The Court: What did Mr. Ballard say?

The Witness: It was not supposed to be Mr. Ballard speaking.

Mr. Neukom: You only heard his voice?

(Testimony of Paton B. Crouse.)

The Witness: I heard him giving out the words as he read them coming from the letters of light coming to him in the dictation, and he said Mr. Kelly had made the ascension and explained the way in which he had made the ascension. He said he was speaking the words of Saint Germain, that it was Saint Germain speaking. Then he said, "This Blessed One has made the ascension and how wonderful it was," that the reason he made the ascension was his devotion to the light and the fact that each time when he heard the broadcast he would follow Mrs. Ballard's voice, "The Light of God never fails" three times, then he went on to explain that he was doing this when he died and made his ascension; that as soon as he finished saying that the third time he fell forward on his face and made his ascension.

Thereupon Government's Exhibit 140 (Picture of Mr. Kelly), so far as the photograph on the face thereof is concerned, was admitted in evidence. Mr. Neukom read from Exhibit 59, at [253] page 41, also page 34, of the March 1940 issue of "The Voice", also Exhibit 57, at page 26, the January 1940 issue of "The Voice", and from the "Magic Presence," Exhibit 4, at page 390.

The question of Mr. Kelly's death and the reported ascension were discussed because other letters had been received from other people asking whether the claims of Mrs. Kelly to the effect that he had made his ascension were true or were not

(Testimony of Paton B. Crouse.)

true. Furthermore, she was passing out copies of photographs of him claiming that he had made his ascension and they were worried about it, whether that was something that should be done or not. That is the reason Mr. Ballard was discussing it, though he hadn't read the letter from Mrs. Kelly.

I was at the Lanning class on January 10, 1937 conducted at Olive Hill in Hollywood. Mr. Ballard purported to give a discourse which was taken down in shorthand by Mrs. McClatchy. I was present during the whole of the discourse. The Ascended Master Jesus was speaking through Mr. Ballard. The discourse was taken in shorthand. I saw the instrument shown to me, Government's Exhibit 141 for identification, among the papers of the Ballards while I was with them. I can't say that I saw Mrs. Ballard work on this particular one or Mrs. McClatchy write it up. Mrs. Ballard was not present at the meeting. In many cases I have a recollection that the words there which were stricken out were the ones actually delivered orally by Mr. Ballard. (Tr. Vol. 12, p. 1759.)

My attention being called to the fact that in the third paragraph there has been added between the words "kind" and "come" in pen and ink "which occur", I can't recall whether Mr. Ballard in giving this Jesus morning discourse used the words "which occur". I can recall an occasion where there have been additions to what Mr. Ballard delivered on that morning. The word "that" after

(Testimony of Paton B. Crouse.)

"it is unfortunate that mankind do not understand——" has been added and to the word "do" has been added an "e-s", making [254] the word "does". I recall that the typewritten form was the way in which Mr. Ballard delivered it on that occasion.

Mr. Cannon: In other words—just for a point of inquiry—do I understand the witness' answer then to be that he remembers on that occasion in 1937 Mr. Ballard saying it the way it is in the typewritten form? Is that what I understand? Is that the correct interpretation of your answer?

The Witness: Yes. He habitually spoke that way.

Mr. Cannon: No.

The Court: No. Counsel is referring to this particular time.

The Witness: Yes, I noticed him on occasions—on that occasion where he used the same sort of grammar that he used on other occasions and made specific note of them.

Mr. Cannon: I object to it as being argumentative, if the Court please. It is not a matter of custom.

The Court: Counsel is referring to this particular document at this particular time. Do you remember Mr. Ballard using the words that are typewritten there on the typewriter—now, that is counsel's point—of your own recollection independent

(Testimony of Paton B. Crouse.)

of any custom or independent of anything that he might have done at some other time?

The Witness: Oh, no, I couldn't say that I do.

The Court: All right.

The Witness: The changes in the discourse are all in the handwriting of Mr. Ballard.

Mr. Neukom: I might state at this time, your Honor, that we do not believe that this was published.

Thereupon the court ruled that the instrument, Government's Exhibit 141, was admissible in evidence, but that there was no foundation for the witness to establish that he actually knew the changes were made, that it might have been that Mr. Ballard [255] saw it as it was written and said, "No, that isn't what I said. I am going to correct it now to absolutely portray what I did say." The instrument, itself, was thereupon admitted in evidence. (Tr. Vol. 12, p. 1764.)

I have been present when Mrs. Mundy and Mrs. Ballard had several discussions concerning discourses that appeared in the magazines. I remember one in particular at the Biltmore Hotel around December of 1938. The three of us were present. Mr. Neukom read from Exhibit 8, at page 503 (Ascended Master Light), and from Exhibit 6, page IX, of foreward (Ascension Master Discourses).

Mrs. Mundy said that she knew she took down the words of these discourses exactly as Mr. Ballard gave them; that she did not make any mistakes and, therefore, she could not understand why, when the

(Testimony of Paton B. Crouse.)

discourses were prepared for printing, that they should be changed, the sentences rearranged and grammatical errors corrected, and she was very upset; that she couldn't see why an ascended master should say anything that needed changing. That is as nearly as I can recall. Mrs. Ballard ended the conversation rather abruptly with a statement somewhat to the effect that the discourses couldn't go out the way they were before being changed. I have observed that Betty Mundy was uniformly present when Mr. Ballard was giving discourses and taking them down in shorthand, and I have seen her later transcribing her notes.

There was an ascended master known as Ray-o-Light. The first time I heard a discourse purporting to come from that ascended master was at Yosemite in the summer of 1937 or 1938. There is an incident which occurred that helps me fix when a discourse first came from the ascended master Ray-o-Light. One of the members of the staff had purchased a flashlight that was called a Ray-o-vac flashlight, and they called it instead a Ray-o-Light flashlight, and they talked about that name, that is this member of the staff and Mr. and Mrs. Ballard and the rest of [256] the staff. Mrs. Ballard said that she believed there must be an ascended master by the name of Ray-O-Light, and the day after that one of the ascended masters dictated that there was indeed an ascended master by the name of Ray-O-Light, and described that this

(Testimony of Paton B. Crouse.)

ascended master Ray-O-Light was a great cosmic being in charge of the operations of the universe—I don't remember all the details—and then later we had a dictation by the ascended master Ray-O-Light. Mr. Ballard gave the dictations. That was the first I had heard of the ascended master Ray-O-Light.

There was an ascended master or mistress, Goddess of Liberty. I first heard of any dictation or staff dictation from that ascended master I believe in 1937 in New York. We had visited the Statue of Liberty prior to the appearance of that ascended master. Then there was a dictation from the ascended master Goddess of Liberty the next day. I had not heard of any dictation from that ascended master prior to that.

I am familiar with the signature of Betty O. Mundy. The signatures on a group of papers in Government's Exhibit 142 for identification is that of Betty Mundy. I have seen the particular report in that exhibit before, at or near December 31, 1938, in Mr. Ballard's room at the Biltmore Hotel. I have been present when the Ballards discussed with Betty Mundy her duty in connection with preparing reports of the proceeds realized from classes, either from the sale of books or from love gifts. Instructions were given as to getting the report off on time, how to send the drafts that went along with the report, and so on. I have seen her work on reports many times. She would on some occasions

(Testimony of Paton B. Crouse.)

hand the report to me to be mailed. I can remember occasions when I purchased the draft to go with the report. I remember when she would fold the report and put it in an unsealed envelope and I would go get the draft and she would give me the unsealed envelope and I would mail it to the Saint Germain Press, Inc., in Chicago. [257]

It was stipulated that the signatures on the reports in Exhibit 142 for identification purporting to be Betty O. Mundy's signatures, were in fact her signatures.

The Witness: I have on occasion supplied data in conjunction with her preparation of the reports in Exhibit 142 for identification.

Exception No. 58

Thereupon Government's Exhibit 142 for identification was offered and received in evidence and there was read to the jury summaries from these reports indicating amounts that had been received at the classes to which the reports referred.

Mr. Cannon: The only objection we make, your Honor, is that it does not tend to prove any issue in the case and therefore is immaterial.

Said objection was overruled and the exhibit admitted in evidence. Exception allowed to all defendants.

The Witness: The Ballards held fourteen classes in each of the years 1937, 1938 and 1939. They were held in many of the principal cities of the

(Testimony of Paton B. Crouse.)

United States. I heard Mrs. Ballard say late in 1936 or early in 1937 that she was sure that Saint Germain would not allow the messengers to return to Dallas again unless their love gifts picked up and came in greater quantities. This was in Philadelphia on October 31, 1939, at the Benjamin Franklin Hotel; in a conversation at which Mr. Ballard, Mrs. Ballard, Betty Mundy, Grant Lewis, Frank Vonderhoya, myself, Mrs. Decamara, Miss Fairchild, Fred the organist, Alice Schutz, and Bob LaFevre were present, those persons being members of the staff. Mr. Ballard gave a discourse from Saint Germain, in which the part referring to this is: "I urge you don't let any urge of the students to cause you to give—go any longer to places where you can't make expenses." I made shorthand notes of it at the time.

After I cashed the checks, I would either give the money to [258] Mr. Ballard or else put it in his trunk with other sums similarly received. I have heard Betty Mundy on several occasions make statements in which she requested more information concerning money that was coming through the mail. Mrs. Mundy would state that Mr. Ballard had spent more than was reflected he had by the accounts in Chicago, and that that would "ball" up the bookkeeping there and the auditors wouldn't be able to understand why they should have spent more money than they were supposed to have on hand, and therefore she wanted something done about it.

(Testimony of Paton B. Crouse.)

It was after one of those protests that I started keeping this record of checks, although no such use was ever made of it. That must have been in 1938 early in the year, probably in Chicago. I kept them on the form, of which you have a copy here, Government's Exhibit 143 for identification. When I disassociated myself with the Ballard movement, I sent the records I kept to Mrs. Ballard by express messenger. I had two or three sheets left. They were mixed up with some other papers. I turned them over to Mr. Van Meter or Mr. Callahan.

The date referred to on certain of the sheets in Exhibit 143 for identification was 1939. I find the check of $300 from Mr. Rogers referred to in Count 9 of the indictment on the first sheet, 11-29. That was a check that was received in the letter that came from Mr. Rogers that we identified this morning (Government's Exhibit 106). I cashed that $300 check at that time. Two of the sheets in Exhibit 143 were made by Bob LaFevre or Alice Schutz or Bertha Livingood, I can't tell which one now. I had handed to the parties I mentioned a group of checks for them to tabulate upon these sheets. I checked over the sheets to see if they tallied with the checks and found them correct, and then cashed the checks.

Exception No. 59

Thereupon Exhibit 143 for identification was offered in evidence. This exhibit was a photostatic

(Testimony of Paton B. Crouse.)

copy of the reports of checks received during the Washington class.

Mr. Peterson: On behalf of the defendants, objected [259] to upon the ground that they do not prove or disprove any issue in the indictment.

Said objection was thereupon overruled and the exhibit was admitted in evidence. Exception allowed to all of the defendants.

The Witness: The place given on the head of the check in that exhibit is the place whence the check came. M. and M. is Mr. and Mrs. Ballard; over the heading of "signed" is the person who drew the check. The figures represented on the exhibit were amounts in addition to the receipts reported by the report of Betty Mundy for the class in Washington as of that period. I have sometimes seen Mr. Ballard use money which was received immediately after it was given to him. I have seen him give Donald Ballard a hundred dollar bill out of money I gave him and put the rest in his trunk, and I have seen him take the money in his pocket and go out and pay for a dress for Mrs. Ballard from that money.

In addition to the fourteen classes that I have mentioned as held during each of the years related, Mr. and Mrs. Ballard from time to time appeared at group classes where gifts were received. Referring to the letter from Mr. Ballard, addressed to Harry N. Rogers, which is

(Testimony of Paton B. Crouse.)

GOVERNMENT'S EXHIBIT 144,

I recall mailing it at Mr. Ballard's direction. Thereupon said letter was received in evidence and reads as follows:

"Hotel Cleveland
"Cleveland Ohio
"October 19, 1939

"Mr. Harry N. Rogers,
"353 No. Van Ness,
"Los Angeles, Calif.

"My dear Harry:

"How tragic that you should be so deceived, or knowing, try to deceive me. We have copy of Catherine's [260] terrible vicious letter written to Mr. Stack in New York trying by her vicious lies to prevent our getting the Woman's Club there—lieing that she had resigned instead of being dismissed.

"Catherine went to the Hammond Organ Company in Los Angeles and tried to spread vicious lies there, but is not succeeding any place in getting anyone to believe them.

"You have been hoping and decreeing that Catherine come back into this Light and Groups. She will never come back in a thousand years. Saint Germain gave her the opportunity to be silent, which she refused to do, gathering students about her at the Cafeteria to try to injure us by her vicious lies. You

(Testimony of Paton B. Crouse.)

told me she was not doing this when you sat at the table with others at various times and heard her doing it. You cannot be loyal to the Light and do this. Don't ask me to ever again believe one word of good about either Catherine or Virginia. It is not in them.

"Vinton has not kept one word of his promises of which you told me.

"It is absolutely impossible for you to go on with your Groups with that treacherous creature in your midst. I am sure it is much better for you to close your Groups, until such time as you cut yourself free from such influence, if you should ever wish to do so.

"Don't blame people who dislike Catherine when they know the treachery she is practicing and that of Virginia.

"Saint Germain has brought into our midst a fine man to take your place in the Class and Radio Announcing.

"Ratana and Sindelars will take full charge of the coming Shrine Class. [261]

"You had the power in your own hands to stop all this viciousness in the beginning. What a pity you did not do it! Remember Harry how Saint Germain pled for two years to prevent this humiliation coming to you, and there is no one to blame but Catherine and Virginia. The great pity is those blessed children must suffer thru it *to*.

(Testimony of Paton B. Crouse.)

"May the Light within you reveal the full Truth of this to you.

"Sincerely in the Light,

"G. W. BALLARD."

The Witness: I was not paid a salary while with the Ballards. I received $150 a month for the support of my family and expenses were paid as turned in. Most of the staff traveled about the country in the Chrysler cars and Mrs. Ballard and Mrs. Mundy, sometimes Mrs. LaFerrera and Mrs. Rogers traveled by plane.

Government's Exhibit 145 for identification is a group leader letter sent from Cleveland. That is reproduced by Multilith process at my direction and handled by myself. It was used in conjunction with the "I Am" movement. Looking at this exhibit, the part with blue, refreshes my memory as to dictation or statements made by Mr. or Mrs. Ballard at or near the time of the letter. I recall their statements at the time.

Exception No. 60

Thereupon

EXHIBIT 145

for identification was offered and received in evidence.

Mr. Peterson: To which we will interpose the general objection. (Lack of materiality.)

The Court: It will be so considered.

(Testimony of Paton B. Crouse.)

Said exhibit was thereupon admitted in evidence, and reads as follows: [262]

"March 18, 1938.

"Blessed Students Everywhere

"You will be overjoyed to read this marvelous information which was dictated to the Cleveland Class by our Beloved Saint Germain on March 15, 1938.

"'Beloved sincere students of this Great Light, I have great rejoicing for you. Will those who are visiting here convey these exact words, at their earliest convenience, to the different parts of America?

"'On next Sunday there will be ten Ascensions! five from the Cave of Symbols in America and five from the Retreat in Arabia. The five from the Cave of Symbols are your own beloved American people. Those from the Retreat in Arabia come from five different countries; one from South America; one from Australia; one from France; one from England and one from India.'

* * *

"This is a tremendous thing! It is the only time in the history of the earth that this number of people will have made the Ascension in one day. Those from the Cave of Symbols will make the Ascension at 2:00 o'clock; those from the Retreat in Arabia at 8:00 o'clock in the

(Testimony of Paton B. Crouse.)

evening. That will be your time here (Eastern Standard Time).

"'It is for the purpose, not only of their Freedom, but of releasing the Power which will act throughout the future Ascension day, as the Messengers carry the Light forth. This will be a living memory in the history of every "I AM" Student on the future Ascension Days at the close of each class.'

* * *

(Signed) "THE BALLARDS."

The Witness: I have heard the Ballards make comments with respect to the definite appearance of ascended masters at [263] future classes that were to be conducted. I have never seen at any classes that I attended the appearance of any ascended masters in their physical, tangible bodies. I have heard Mr. or Mrs. Ballard make statements why ascended masters did not appear. I remember specifically one in West Palm Beach, Florida, at the time Jesus gave a dictation to the staff there, in November or December of 1937. The statement was made that the ascended masters would not appear because people did not maintain harmony in their feelings and live up to the requirements of the one hundred per cent--what was later called the one hundred per cent requirements.

I know the defendant, Mr. Cassiere. He was not

(Testimony of Paton B. Crouse.)

a member of the staff. He was an appointed messenger. I have heard him make a remark with respect to love gifts he received at classes he attended, particularly at the Cleveland class. I believe we were in New York when we received a letter. I do not have it, but I read it and turned it over to Mr. Ballard for him to read and he turned it back to me for answer. With respect to love gifts he said "Cleveland is good pay". In a letter from Detroit, he said that the people there knew how to treat the love gift box. I remember a letter in which he said collections were very poor, but don't remember of what place he was speaking at the time.

I observed Mr. Cassiere come and receive instructions from Mr. or Mrs. Ballard on many occasions. I have seen Mr. Cassiere come and get an appointment to see Mr. Ballard, and Mr. Ballard and Mr. Cassiere have sat down in the same room where I was and have discussed Mr. Cassier'es work, the towns where he was to go, places where he was to give lectures, and some items as to what he would talk about and what he would not talk about. I have heard the same thing in respect to Mr. Stickell, a discussion of where they were to have meetings, what they were to say, what they were to presnt, and what they were to avoid presenting. On some occasions I was instructed to convey that instruction to [264] them.

I am married to the former wife of Donald Ballard.

(Testimony of Paton B. Crouse.)

I have heard Mrs. Ballard state from the platform that they have cured people suffering from cancer. I was with the Ballards during virtually all the classes during the periods that I was with them, virtually every meeting they had. I have never heard anyone express verbally in the presence of Mr. or Mrs. Ballard that they were ever cured or healed of cancer. (Mr. Neukom read from Exhibit 104, page 3.) I was present during the Chicago class just prior to June of 1939 and I did not hear any person at that time state that they had been cured of cancer. I was with the movement when pictures of Mr. Ballard were offered for sale after his death. (Mr. Neukom read from the "Voice" magazine, February 1940 issue, Exhibit 58, page 35, and from the "Voice" magazine, November 1939 issue, Exhibit 55, at page 12, and from the "Voice" magazine, August 1939 issue, Exhibit 62, page 25.)

At a conversation at 2545 North Vermont, Los Angeles, in which Marjorie Ballard, Donald Ballard and Mrs. Ballard were present, Donald Ballard said that he didn't have to take anything from his mother because he knew that on the occasion which she had referred to on the platform saying that Jesus had in his tangible, physical body put His arms around her, that in fact that occurred during a dictation which Mr. Ballard received from Jesus and Mr. Ballard put his arms around Mrs. Ballard while he said, "This is Jesus saying, 'I am

(Testimony of Paton B. Crouse.)

now putting my arms around you,'" as he was giving her words of this dictation. He said that he had faced her with that and she was unable to make any answer to it. Prior to writing the notes on Government's Exhibit 146 for identification, I had a conversation with Mr. and Mrs. Ballard the latter part of 1939 at Chicago. They are my abbreviated notes regarding the telegram which I was told to send by Mr. and Mrs. Ballard, and that is what I wrote down as to what they told me to send. Thereafter [265] I prepared the telegram from those notes. The notes say I was to send one to Mr. Wall, Mr. Lee, and to Mrs. Ketcham, care of Mr. H. J. Bechtal, 116 North Narcissus. Mrs. Ballard said for me to send this wire to Mrs. Ketcham saying she was dismissed from the staff and from representing Saint Germain in any other way or from attending the study groups. She had been a former member of the staff. I prepared and sent such a telegram.

Cross Examination

By Mr. Cannon:

The Witness: I am 43 years old and was with the Ballards for three and a half years. We heard the statement made many times in classes about Jesus holding Mrs. Ballard in His arms. Donald did not say in class that his father had put his arms around his mother and said Jesus was there by enfolding her in his arms. Donald's mother had

(Testimony of Paton B. Crouse.)

made the statement that it was Jesus who put His arms around her in His visible, tangible body. That was made from the platform. Donald said in fact he knew that Jesus had never put His physical, tangible arms around his mother, but that the occasion to which she referred when she made that statement from the platform was an occasion that occurred during a dictation purported to come from Jesus in which Mr. Ballard had put his arms around Mrs. Ballard while he said the words of Jesus, "I am putting My arms around you." The conversation which I referred to was one in which Donald had faced his mother with the statement that it hadn't been Jesus, but rather Mr. Ballard who had put his arms around her. He referred when he was making his explanation, to the statement which Mrs. Ballard had often made from the platform that Jesus had put His tangible, physical arms around her and he said that that statement was not true and he knew it wasn't true, because he knew that that was an enlargement of the occurrence when Mr. Ballard was receiving a dictation from Jesus and put his arms around her and said it [266] was Jesus. (Tr. Vol. 12, p. 1831.) I don't know whether the conversation which Donald was referring to was held only in the presence of Mr. and Mrs. Ballard and Donald. He didn't say anyone else was there.

Q. Did you quit this movement or were you fired?

(Testimony of Paton B. Crouse.)

A. I received word from other people that I had been dismissed who heard it announced at the class. Mrs. Ballard did not tell me on the night of March 27, 1940 that I should get out, that she didn't want to see me again. I recall on March 27, 1940, late in the evening at night, the lights being out, the door was opened and I was kneeling at Marjorie Ballard's bedside, she being unclothed and in bed, and the light was flashed on and I was kneeling on the side of her bed. At that time, I was married. I was not the house guest of Donald Ballard but I was living at the house on Vermont Avenue where Donald Ballard and his wife were living.

Q. And you were very much surprised when he came in, weren't you, and jumped up hurriedly?

A. No, I didn't jump up when he came in. I jumped up when he spoke at my side. Yes, I was surprised.

Testifying with respect to this same circumstance on December 20, 1940, I testified as follows:

"Q. Isn't it a fact that you told Donald the reason you ran was because you were embarrassed?

"A. I didn't run.

"Q. You didn't. Did you jump?

"A. I got to my feet quickly; yes."

Is that correct? A. Yes, I got to my feet quickly.

The Witness: I also testified as follows:

(Testimony of Paton B. Crouse.)

"Q. Isn't it a fact that you told Donald Ballard the reason you jumped was because you were embarrassed?

"A. Yes."

I was traveling around with the Ballards over the [267] country for a period of three and a half years. 10, 12, 15 people were in the group that went from city to city in these classes. Marjorie Ballard, who is now my wife, was sometimes in that group.

Exception No. 61

Mr. Cannon: And how long prior to the time of this March episode I last referred to had you been making love to Marjorie Ballard?

Mr. Neukom: Now, I object to that as assuming something not in evidence, and it is merely made for the purpose of attacking this witness.

Mr. Cannon: Absolutely, that is the reason.

The Court: Sustained.

The Witness: After this episode occurred, I still continued to believe in the teachings of the movement. One of the teachings of the movement that I had heard expounded at the time I was with it was that no male member should be alone in the room with any other female member not his wife, but if that ruling is countered by another requirement or other requests, that makes a difference. The other changes were that I was acting in the

(Testimony of Paton B. Crouse.)

family there as a member of the family. I was an employee there acting in a trusted capacity, left there to act as a guard, and I was acting in that capacity on that night when I was in beside Marjorie Ballard's bed, and I was there trying to get her to go to class after she had had a quarrel with Donald and was not going to go to class, and there was nothing wrong about it. I was guarding the people in the house, and I was seeing to it that Marjorie was going to get to class on time instead of staying from class because of a quarrel with Don, as I had on several other occasions, and you try to make it out as something. (Tr. Vol. 12, p. 1836).

I attended practically every class during the three and a half years I was with them and I heard the statements by [268] Mr. and Mrs. Ballard from the platform with respect to the healings and the influence of this movement. I read thousands of letters that came in. Bearing in mind what I had seen and heard at these meetings and what I had read in those letters, I believed in the movement up beyond the date of my leaving. I believed with reservations in the efficacy of these calls made or decrees pronounced looking for certain blessings of the I Am Presence. The first time that the Ballards' own call for protection to their cars failed and the cars were wrecked, I began to doubt right then, that was in 1938. I expressed doubts in October of 1938 in Chicago. I told Mr. Ballard that so

(Testimony of Paton B. Crouse.)

many things had occurred in the way of contradictions in the dictations and Messengers themselves failing to carry out the requests made in the dictations that I had my doubts as to their authenticity. I still continued to answer these letters that came in asking for the call for persons who wanted to be healed, after there had been an adjustment made and I had been persuaded that my fears were groundless and that if I wanted to make my ascension I should cast all doubt and fear aside. I had a rehabilitation of my faith sometime in October. It continued until the next thing occurred which seemed to be absolutely unexplainable. I don't know just what it was. Another one that I explained to the Ballards is where Mr. Ballard received a dictation purporting to come from Saint Germain in which he instructed them under no circumstances to mention anything except the constructive things at the Washington class and not to mention the Government or the people in the Government or not to run down anything, and Mrs. Ballard followed that request of Saint Germain the first day of the Washington class, and then after that she abandoned it completely and ran down the Government and ran down Pelley, and Ham and Eggs, and the census takers, and the income tax, and everything else. Mrs. Ballard had been doing that right along. I still maintained my [269] faith in the movement with reservation, but with the reservation I was a sincere believer in the movement.

(Testimony of Paton B. Crouse.)

When they asked me to answer the letters after Mr. Ballard took ill in Washington in 1939, I answered the letters with respect to healing in the same manner as theretofore and I had not lost confidence in the movement. I was under instruction that when I had these letters I would call to my own "I Am Presence" and to my Higher Mental Body to have the healing sent and the work done and taken care of. I was thoroughly sincere in that and did my best. I thought the Ballards were sincere with reservations, though no reservations as to my sincerity. Even though I felt I had some question as to the sincerity of the Ballards, I still did as I was told in sending out the letters. I hoped they would be efficacious in helping these people and I had been told they would, and I had been told that everything purported to be said by the people who said it was absolutely true and I was very eager to believe it and so I believed it. I actually talked to many people who claimed to be healed and I believed those people who told me that they had been healed and that they had been healed as a result of the movement. In letters, I heard a number of people say that they had been cured of what was generally regarded by medical people as incurable diseases. I did not believe the statements in the letters without reservation in some cases. The reservations were that the one case in which I ever saw any X-ray photographs was a case of ankylosis of the spine, and this case was reported as a case

(Testimony of Paton B. Crouse.)

where the patient had gone and had an X-ray picture showing ankylosis, then had attended a class and a couple of days later had had another picture taken and it showed that there was no ankylosis, and it was shortly after that picture was received that the statement was made that many cases like that had been cured, and they had X-rays to prove it, but in my own observation it appeared to me that the first photograph was blurred as though [270] the patient had moved during the exposure. Aside from that, that is the only reservation that I had as to my belief or lack of it in the truthfulness of the statements made in these letters. Nothing further. Everything came from the fact that we received very nearly an equal number of letters complaining that the student had done everything they had been told to do and had received no benefit, they hadn't received their healing. I was told by Mr. and Mrs. Ballard who were supposed to be in the position of Jesus Christ, and that every word that they said was absolutely true. I wanted them to be true. There was nothing on earth that I ever wanted so badly as I wanted those things should be true. And for three and a half years I kidded myself into believing it very effectively. I was actually living with them day in and day out and had the means available to me to observe their every action, and I saw them in the privacy of their own homes talking about the things that had been manifested to them, and I saw them arguing.

(Testimony of Paton B. Crouse.)

quarreling, fighting, doing all of the things that they said should not be done. I never saw such quarrels as went on between Donald and Mrs. Ballard. I never heard anyone curse the way he did. I never saw anyone give vent to temper in such a way, and eventually the weight of that evidence simply got so heavy that I couldn't believe that anybody that claimed to have all of the advantages they claimed to have could possibly have those things occur. It took me three and a half years to down my determination to prove that Jesus Christ was real, that God is real, and that we can live Christian lives here, but I didn't arrive at that conclusion, though, until sometime after I had been fired.

Q. As a result of the episode I have spoken of?

Witness: Your question doesn't make sense. The reason for my coming to the conclusion you mention was that I found out that Mr. Ballard, as well as the rest of them, were lying about [271] things which I had not known before. (Tr. Vol. 12, p. 1845). The lawyer of whom I spoke last night, the name Ashcroft sounds familiar. I am not a stenographer-reporter. I have my own short way of writing. A letter received in evidence as

(Testimony of Paton B. Crouse.)

DEFENDANTS' EXHIBIT U,

dated December 2, 1938, was dictated to me by Mr. Ballard. Said letter reads as follows:

"December 2, 1938

"A. M. Ashcraft
"800 Beacon St.,
"Boston, Mass.

"Blessed Student of the Light,

"Thank you so much for all the Love and Devotion expressed in your recent letter. We are so glad to know of your sincere appreciation of this work and your loyalty to it.

"In answer to your question about starting an activity to nominate us for public office we ask you to please under no circumstance think of any such thing. Saint Germain is the Director of this Work, and all our activities and if He were ever to wish such a thing done He must be the one to start it, not the students.

"Of course the same comment applies to any proposed small booklet ~~and any attempt~~ to interest or involve Ford, Hoover, Hughes or Morgan. Please do not feel it your duty or privilege to inaugurate any such activity. Such things, if desired by Saint Germain would most certainly be requested and started by himself.

"We rejoice with you in your wonderful Victory in calling forth the Perfection of the

(Testimony of Paton B. Crouse.)

Presence in connection with your eye-sight and we continue to call forth to you the release of Ascended Master Radiation and Light Substance, to make Its Perfection manifest in your life. [272]

"Our Love and Blessings enfold you always."

This letter was signed by Mr. Ballard and mailed to Mr. Ashcroft. Mr. Ballard didn't dictate it to me. He just told me to tell him no, don't make the book and don't propose us for office. I dictated the rest to a stenographer. The letter that he was answering referred to a victory the man had in connection with his eyesight being improved. Each time he would write, he would claim a victory. Three months later he sent $30.00 claiming he had received his healing, then six months later, he sent another letter begging the Ballards to work for his eyesight. The form paragraphs that we used in connection with healing letters were not taken from "The Voice" or from discourses published in the various books, but the principle of calling into play the "Mighty I Am Presence" was set forth in these form paragraphs. All of these form replies applies the principles that were discussed in "The Voice" and the various articles published in the books.

I had nothing to do with the financial setup of the reports heretofore referred to, gotten out by Mrs. Betty Mundy. They came to me for the pur-

(Testimony of Paton B. Crouse.)

pose of buying drafts to send to Chicago. I would send my only copy to Chicago. Those I had today I got from Mr. Neukom. The first time I saw them grouped together as Exhibit 142 was when Mr. Neukom asked me about them in preparation for the previous trial. These reports don't set out any expenses to which the movement was subjected. Mrs. Mundy kept the record as to expenses for hiring halls, et cetera. I didn't see them. The group that went with the classes from city to city numbered 12 or 13; their expenses were paid out of love gifts, sale of books, and things like that, including the rental of auditoriums. Sometimes a thousand people would attend the classes. The average amount contributed at these classes in love gifts would not be less than 8 cents apiece, though some were as low as that. Sometimes the expenses of conducting the classes was greater than the amount [273] received from love gifts. Mr. Ballard had a trunk in several drawers of which he would have batches of $100 or $200 bills, not primarily when they were on the road, but primarily after a large class like the Shrine class. Classes were conducted by the Ballards only. The groups had no financial tie-in with the Ballards, except through the sale of books and through love gifts that were turned back. The groups were not required to turn anything over to the Ballards, except that they paid for the books and paid for their transcription records, and so on. No dues or initiation fees were charged at the group

(Testimony of Paton B. Crouse.)

meetings. Classes were conducted on an itinerant basis. Mr. Stickell and Mr. Cassiere also had classes. As far as Mr. Stickell's or Mr. Cassier's classes, they were independent of the Ballards financially as far as I know.

A letter came to Mr. Ballard from Mrs. Kelly concerning the ascension of a man by the name of Kelly. I first saw it in Minneapolis when it was first received. It was mailed to the Ballards from Los Angeles. Mr. Ballard opened it when it came but didn't read it for about six weeks. It was between the period of the receipt of the letter and the six weeks before Mr. Ballard read it that letters came from various students asking if Kelly really ascended. I asked Mr. Ballard about these inquiries, which was before he actually read the letter, and he said to wait until we had further word on it. In this letter, I recall that Mrs. Kelly said that prior to Mr. Kelly's ascension, he had regained his health. I think in that letter Mrs. Kelly said she was present when the ascension occurred. There was never any representation that the letters with the typewritten signature, "Saint Germain", were actually typed by Saint Germain. The representation was that Mr. Ballard had received the dictation through the letters of light. The first time that I saw Government's Exhibit 141 was when Mr. Neukom showed it to me. That is the particular document. I didn't keep a copy of it myself. [274]

(Testimony of Paton B. Crouse.)

Redirect Examination

I don't know whether Mr. Stickel and Mr. Cassiere retained all of their love gifts. They obtained the books they sold from the Saint Germain Press. Mrs. Terry is the mother of my present wife, the former Marjorie Ballard. At the time that the incident in March of 1940 occurred, in which I was in the room with my wife, Marjorie, Mrs. Terry was in the house right outside the door and the door was open.

MRS. MADGE KING

was called as a witness in behalf of the Government and testified as follows:

I live in San Francisco and am employed by the Better Business Bureau of San Francisco, having been so employed for six years. I am employed as an investigator and in office work. In the course of my employment, about February 13, 1939, in San Francisco, I attended an "I Am" Ballard organization meeting. Mr. and Mrs. Ballard and Donald were there. I took notes at the meeting. The meeting started about 7:15, conducted by a young man in white. They sang songs out of a song book and ended it by the singing of the "Star Spangled Banner" and a large flag was brought on the stage and they all pledged allegiance to the flag. At 8:00 o'clock, a radio was brought on the stage and everybody listened to Mrs. Ballard give her radio talk

(Testimony of Mrs. Madge King.)

for about 15 minutes. Mrs. Ballard wasn't on the platform, it came over the radio. Then a young man gave a discourse explaining some kind of a chart they had and about a quarter of nine the audience said "Here, they come" and the Ballards came in. Mr. Ballard said that they were used to criticism, but they didn't have to worry about it as Saint Germain would take care of it. He said there was a man in New York who said he was going to expose their movement on the radio, but on the way to the radio station the automobile overturned and the man was killed. Then Mrs. Ballard [275] said they didn't enjoy going around the country combatting all of this, that they could make a good living from the printing press. Mr. Ballard then said, "No. We do it for you people and to save America. We sacrifice ourselves." Mrs. Ballard then said they had been criticised for dressing as they did, but they were entitled to all the jewelry, that they were the love offerings from people whom they had helped and if it brought happiness to them, the Ballards were entitled to them. She said Saint Germain wanted all the attending people to have these things and wanted them to go out and get them for themselves, and if they needed money, to use the money decree, that Saint Germain didn't like spineless creatures. Both Mr. and Mrs. Ballard said that they would have an important message for them that evening. I don't recall anything said about ascension. Mr. Ballard said that Saint

(Testimony of Mrs. Madge King.)

Germain had told them when they came back from Honolulu that they could ascend any time they wanted to because they had done such a marvelous work here, but he said they couldn't leave the good work and the people so they had decided to continue on. Then they gave decrees and the audience would join in some of them. Then about 11:00 o'clock Mr. Ballard said that "The Great Harmony" would give the message that evening, then he paused and closed his eyes, and looked up and started speaking in a rather deep voice and gave some sort of salutation to the audience and said: "A new book of songs has just been published on which is my likeness, and I want each of you to buy a copy of this and each night upon retiring before you go to sleep look at this likeness and it will bring you benefits of which you will never know." During the meeting they said they had saved San Francisco from three earthquakes and that if it weren't for them, many dire things would happen to America. Mr. Ballard said he would not say it would happen, but New York could have a disaster like they had had in South America. There was mention made of three airplanes carrying [276] subversive activities but that they had never reached this country and that the audience didn't know what became of them, but that they (the Ballards) did. When Mr. Ballard first started to speak as "The Great Harmony" his voice was deep, but gradually got back to normal. He didn't say at the

(Testimony of Mrs. Madge King.)

end of the discourse that "The Great Harmony" was off and he was on again. It ended about 11:30.

[277]

GLADYS ETHEL KEMP

was called as a witness in behalf of the Government and testified as follows:

Direct Examination

I live at Alameda, California.

Government's Exhibit 148 for identification was marked. This was shown to the witness and she stated:

I sent the original of that letter to Mrs. Ballard through the mail.

("Count" 11) The witness testified that she received a two page letter dated September 9, 1940, together with a little announcement called "Special Notice," and that it came in an envelope bearing the name of the Biltmore Hotel with the name of Mrs. G. W. Ballard typed in, which envelope was postmarked Los Angeles.

This document was received in evidence as

GOVERNMENT'S EXHIBIT 149

over the objection that the letter had no materiality to the issues involved in the case and that there was no proper or any foundation laid other than that the signature was Mrs. Ballard's. Exception was allowed.

(Testimony of Gladys Ethel Kemp.)

Said letter and enclosure read as follows:

"SPECIAL NOTICE

"Since writing the copy for the Notice of our Beloved Messenger's Records in the May "Voice," we have succeeded in securing a beautiful blue transparent, flexible material for making our phonograph records in the future, and because of the special healing quality and vibratory action of same it will add much to the value of these records.

"The new pressings of our Messenger's Records now being made and all pressings in the future of the instrumental and vocal records, [278] will be made from this new material.

"We know you will be happy to have these beautiful blue records as they carry a special healing radiation. We have been working on these for a long time and now feel they are perfected to the point where we can offer them to the public.

Please send orders for all phonograph records direct to the SAINT GERMAIN PRESS, INC., Los Angeles, Calif., P. O. Box 428, as all shipments in the future will be made from Los Angeles direct, instead of the Chicago office.

"Because of the increased cost of this special material, it will be necessary to increase the cost slightly. Prices will be as follows:

"All double faced records made from blue transparent material $3.00 each—Shipping charges extra.

(Testimony of Gladys Ethel Kemp.)

"All records now on hand made from the regular material will be sold at the prices as formerly quoted. $2.50 for double faced records—Shipping charges extra.

"MRS. G. W. BALLARD
AND DONALD."

The letter reads as follows:

"The Biltmore Hotel
"Los Angeles

"September 9, 1940

"Gladys Ethel Kemp
"110 W. Lomita Ave.
"Glendale, Calif.

"Beloved One of the Light: [279]

"Your registered letter of August 24th was duly received, but because of important duties to perform, it has been impossible to reply sooner.

"In going over our previous correspondence with you, I find that in our letters we stated the Law very clearly, but as you know we never give advice, or tell others what they should do, other than to call the Law into action, I made the call on a number of occasions for the boy's release, and for his own Higher Mental Body to put him where he belongs, and that Perfection manifest to all concerned. I do not know personally whether his place is with you, or with his parents, but I do know that having called the Law into operation, and holding

(Testimony of Gladys Ethel Kemp.)

Harmony in the feeling world, that Law would have to operate for both him and all others concerned.

"Regarding my furnishing you with money to go into court to press this matter, wish to state that I never made the statement that the money coming in from the Love Gifts was reserved for such purposes. I have stated many times that all money coming in belonged to Saint Germain, and would be used for the Expansion of the Light, but there has never been any provision made by Him that this money could be used for individual's personal use.

"The 'I AM' School is an independent activity, and in no way connected with this activity financially, nor would it be obligated to furnish money for such a condition.

"If you are a real 'I AM' Student, and have attended the Classes, then you must know the Law concerning [280] the release of finances—that you cannot look to persons, places, conditions or things, but you must call to your 'Mighty I AM Presence' to release it from the Perfect channel it desires, and if you will stand unwavering without fear and doubt, you will find that coming forth.

"I call the Infinite Powers of Light into action to flood your being and world with an abundance of every good thing, to charge you with Happiness, Peace, and Victory's Victories and

(Testimony of Gladys Ethel Kemp.)

Miracles of the Light, eternally sustained and ever-expanding.

"Sincerely in the Light

"MRS. G. W. BALLARD

"By MRS. G. W. BALLARD"

There was no cross examination.

EVELYN M. BROWN

was called as a witness on behalf of the Government and testified as follows:

Direct Examination

I was at one time an I Am student. In September or October of 1940, Inspector Van Meter supplied me with about $3 and I sent the money to the Saint Germain Press, Los Angeles Branch, requesting a blue phonograph record. In a few days I received a package containing the phonograph record —on one side marked "Invocation, Mr. G. W. Ballard," and on the other side "There is no Death, Mr. G. W. Ballard."

Said package was received in evidence as Government's Exhibit 150 and the phonograph record itself marked "Exhibit 150-A."

I received this package through the mail. Prior to the purchase of this record I had purchased a set of books.

(Testimony of Evelyn M. Brown.)

Mr. Neukom read from Government's Exhibit 64, the August, 1940 issue of "The Voice" at page 39. [281]

PORTIA A. TERRY

was called as a witness in behalf of the Government and testified as follows:

Direct Examination

I live at Sierra Madre. I am the mother of Marjorie Crouse, who was formerly the wife of Donald Ballard. I am acquainted with Mrs. Ballard, Donald Ballard, William Cassiere, Paul Stickell, Louise Majerus and Betty Mundy. I became a member of the Ballard movement in June of 1935, at which time I was married to Dr. Terry and living with him at Long Beach. At that time my daughter was married but later became divorced and returned to live with me. At that time she was married to Clem Clark. In the middle of 1936 I received a telephone call from Mrs. Ballard. At that time Donald Ballard, Marjorie, my husband and myself were together and Mrs. Ballard said on the phone that she wanted us to come into Los Angeles as a royal visitor had been to their apartment and she had a message for us. She also spoke to Donald and Majorie. Thereupon, Donald, Marjorie and myself went to the hotel where the Ballards were staying. Mr. and Mrs. Ballard were there and told

(Testimony of Portia A. Terry.)

us that Saint Germain had been there and commanded that Donald and Marjorie get married at once. I replied that Marjorie's divorce would not be final until December. Mr. Ballard said "We will have to wait." At that time Donald had been living with us for three or four months. I noticed when Mr. Ballard made the statement about Saint Germain that from Don's facial expression he was quite happy, and when I said that Marjorie could not get married immediately, Mr. Ballard looked puzzled and was perplexed. (Tr. Vol. 13, p. 1907.)

Motion was made by the defendants to strike the foregoing testimony of Mrs. Terry beginning with the statement of the witness that Mrs. Ballard had asked them to come to her hotel on the ground that no charge is contained in the indictment [282] on which this testimony would have the slightest bearing and hence it was incompetent. The motion was denied and exception taken.

The Witness: In December of 1936, Donald and my daughter were married. At a Ballard meeting in December of 1937, Donald, Marjorie and I were in the audience and I noticed Donald and Marjorie struggling and Marjorie holding Donald's hand. I asked what was the trouble and Marjorie said that Donald wanted to jump to his feet and shout to the audience that the work was a fake. Marjorie succeeded in restraining him. I went home with Donald and Marjorie that evening and Donald related that Marjorie should have permitted him to have done

(Testimony of Portia A. Terry.)

so and then it would be settled and over with; that he was tired of taking a back seat to Mr. and Mrs. Rogers.

In December of 1938, in Oakland, I was present when Mr. Ballard was purportedly delivering a discourse to the staff from Saint Germain, which discourse referred to Donald. The staff was present and I was called in and Saint Germain was admonishing Donald for something and Don started to defend himself saying it was not true, and Saint Germain, in a very loud, cross voice, told him to **"shut up."**

I have heard Mr. and Mrs. Ballard state that Jesus had held them in his arms. She said that Jesus looked just the same as the pictures of Jesus; that he was there in his physical, tangible body. Later, Donald said that he and his mother had never seen an ascended master. Many times the Ballards said that the ascended masters appeared to them in their physical, tangible, physical bodies. I discontinued the Ballard movement in about March of 1940.

Mr. Lazarus read from Government's Exhibit 30, page 3, October, 1937 issue of "The Voice."

Sometimes I got letters from Marjorie and Donald. [283] Generally, these letters were shown to Marjorie and to me.

One such letter was shown to Mrs. Terry and she said that that letter was given to her by Donald

(Testimony of Portia A. Terry.)

on or about the date it bore; that the handwriting was that of Mrs. Ballard.

Exception No. 62

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 151,

over the objection of the defendants that no foundation was laid, aside from the handwriting of Mrs. Ballard, particularly that no source had been shown, and on the further ground that it was a letter of a highly personal nature and had no bearing on the issues of the case. Exception was allowed. Said letter reads as follows:

"New Weston Hotel
"New York City
"May 1, 1937

"Dear Donny:

"Your letter to Daddy has hurt him beyond all words. I am writing to try and show you what you have done by making a written record of that discord by your own Life energy in your world.

"Daddy says he will never write you again and never step foot in your home. When he finished reading your letter, he was just speechless. Then he said: Something has died within me. He says he will never have anything to do with you again.

(Testimony of Portia A. Terry.)

"Saint Germain was so shocked when he read your letter that he is considering a very serious move concerning you. I am sending you this letter to make a last effort to bring you to the realization of what you have done, for it is more serious than you understand, when you say the [284] things you did in that letter to Daddy.

"Last month we paid out $1200.00 for you and overdrew the bank account $900.00. That is never going to occur again. I sent a check for $500.00 to Barker's for the piano, I gave you $150.00 for the rent, $150.00 for school and you have had $100.00 a week beside that for four weeks. Since you got the car in December which is five months, you have had $11,000.00.

"It is not a matter of what anyone wants to do in this matter, it is a matter of what we have to do. Daddy says the end has come between you and him and he will not have anything more to do with you, after all the effort we have made to give you everything you wanted for Marjory and the home. You have had more than $7,100.00 since Jan. first and that will not pass for income tax approval. You are only eighteen years old and there are things that are right and things that are not right.

* * * * *

(Testimony of Portia A. Terry.)

"Miss McLatchy sent me a copy of your talk at Mrs. Woodard's the last two Sundays. Please know Donny Dear that the pledge that the 100% groups are to sign has been inspired and made necessary by the call of the students for the tangible Presence of one or more of the Ascended Masters. The Great Divine Director brought it about because of certain Inner work He wants to do for the protection of America. Only those who are willing to fulfill those requirements are strong enough to do the work that must be done. Therefore, you have made a serious mistake by talking against the promise one takes to his own 'I AM PRESENCE." [285] Those pledges are not to any human being. They are to help everyone who is to render this service to keep a strong check on himself and maintain obedience to what is required.

"Please make this correction before the group you spoke at if you want to right yourself with Saint Germain and the Divine Director in order to have Their Help farther. This thing must not go on in our work. Remember everyone is giving free will to sign or not and if some are not strong enough as yet, please do not let them influence you to be jealous of or criticise that which the Divine Director has approved and brought about Himself because of the need. This is a serious thing in our work and must stop.

(Testimony of Portia A. Terry.)

"We have had tremendous accomplishments here in New York and a most amazing response from the people. No greater Love could mankind show than the students have given to us and that ought to make you realize that you should appreciate it too. When you write a letter with the feeling in the last one, there can never come out of it anything but unhappiness to you. Do not ever do that or say such things again, if you expect protection, supply or any happiness in your Life again.

"Please make your peace with your Presence and Saint Germain before it is too late to remedy it in this embodiment. I hope you will not waste all that I have tried to do for you in this Lifetime, not to mention what Saint Germain and Daddy have done. May you be strong enough to right your mistake forever before it is too late and never make another one.

"May your own 'I AM Presence' show you the [286] Light and give you the Strength to conquer your human self now and forever.

"Good night, in the Love of the Presence,

"MOTHER."

Mr. Lazarus read from Government's Exhibit 29, page 8, the September, 1937 issue of "The Voice" and from Government's Exhibit 15, page 10, the July, 1936 issue of "The Voice."

(Testimony of Portia A. Terry.)

The Witness: During the period that Donald was married to my daughter from December of 1936, to August of 1940, I did not know of him to engage in any other work other than his work in connection with the Ballard movement.

A letter dated August 6, 1937, signed "Mama and Daddy," addressed to Donald and Marjorie, was marked for identification as Government's Exhibit 152. The witness stated that the first two pages were in the handwriting of Mr. Ballard; that the third page was by Mrs. Ballard, all but the postscript which was by Mr. Ballard; that the letter was handed to her by Donald and Marjorie.

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 152,

except for that portion at the bottom line of page 3 and continuing to the red brackets appearing about the middle of page 4. Said letter reads as follows:

"Hotel Gowman
"Seattle
"Aug. 6, 1937

"Our Dear Don & Marjorie:

"You precious ones, Find enclosed $100.00 try to make this last until the 15th of Aug. so as not to change the records in Chicago.

"Your check for $300.00 for the month Aug. 15 to Sept. 15 expenses will reach you on the

(Testimony of Portia A. Terry.)

15 or 16. You need not keep record of this one hundred. [287]

"We had wonderful trip through, perfect weather, marvelous class in Portland last night. Arrived here at 1 P. M. today. Mr. Gowman inquired for you, sends his love and blessings.

"Had nice shower coming in today and had marvelous wild blackberrie pie at the French place beyond Tacoma. Brought Mammia and Betty one with us.

"All are fine as frog hair in a mill pond. I will write Mrs. Sindelar so she will be sure she is to go with her beginners. The church activity has nothing to do with the other activities already established there.

"Be sure to send Mammas tube rose Ryrin paint she paid for and ordered sent to your home when we left L. A. It must be there now.

"Our deepest love and blessings to you both, ever enfolding you in Its perfect radiance.

"MAMMA & DADDY."

Page 3.

I had just finished my letter when your letter arrived. I just had the application notarized and enclose it. We cannot change the arrangements in Chicago. I am enclosing $100.00 this take care of things and the checks come in to you as usual. Do not send in more receipts than

(Testimony of Portia A. Terry.)

the $300.00. Don't make any reference to the money I send outside of the $300.00 check.

(The next portion is deleted in original letter)

"Will be in Spokane Wed. night 25th. Many Glaciers Hotel in Glacier Park. Thursday night 26th & 27th—Sat. night 28th & 29th. Old Faithful Inn, [288] Yellowstone Park. Tuesday night 31st Casper, Wyoming, Henning Hotel. Wed. night Sept. 1st, Cheyenne, Wyoming, Plains Hotel. Thursday night Sept. 2, Denver, Colo. Cosmopolitan Hotel. Will write you further details of bal. of trip.

"Love & blessings,

"MAMMA & DADDY."

GOVERNMENT'S EXHIBIT 153

was received in evidence.

This letter, Exhibit 153, was received by Donald, Marjorie and myself at my home. It is in the handwriting of Mrs. Ballard. The "R. T." referred to in this letter is Roy Terry, my husband. I was divorced from him at that time.

Said letter reads as follows:

(Testimony of Portia A. Terry.)

"Belmont Plaza
"Lexington Avenue at Forty-Ninth Street,
"New York

"Mon. Nov. 13, 1939

Precious Darlings, Don, Marjie, Portia and Louisa:

"Your letter received and I am send you the enclosed checks to cover the bills you sent; but dear ones, if we are going to pay those bills for you under an emergency for heaven's sake send them, so we can get the benefit of the discount which they always allow, if paid within 10 days.

"As you see by this letterhead, Papa, Frank and I are in N. Y. getting Papa's teeth fixed because since he has grown so much thinner his teeth need refitting and it is taking until the end of this week to do it. We had the most marvelous class in our history and when we closed last night the love was so great the entire audience kneeled to the Light as we came in. I thought my heart would burst with [289] the outpouring of Light to the students and the desire to help them. There never was a class like it and Saint Germain said it was the most successful class of all so far as their work was concerned.

"We three left early by plane this A. M. & came up here to get the dental work attended to before the next class begins.

(Testimony of Portia A. Terry.)

"Saint Germain said all classes in the future would be closed and there would be not published notice of when or where they were to be held. He is going to tighten up everything and weed out every atom of discord in the student body, until they are prepared to receive the manifestations for which they have been calling. Please let us know when you are moving and where to send your check of the 15th.

"How are things progressing for Portia? Tell her not to worry about her channel of supply—It does not depend on R. T.'s insurance!

"I command 10 times more than he has ever had or seen to be given Portia right now as her own individual channel of which no one knows but her Presence! I command this to come forth instantly and become physically manifest as I write these words. Everybody keep harmonious and happy and it will come about sooner than you think.

"Everybody visualize a definite amount & release into Portia's pocket-book this moment.

"We are all working steadily for you all; but everyone must positively refuse to have any unkind feeling or criticism of each other or those [290] who are also climbing the *the* hill to make the grade of the Ascension too.

"I had no sleep last nite so must close and get a little now. Daddy and the Staff all send you Love, Protection & Blessing constantly.

(Testimony of Portia A. Terry.)

See the 'Sword of Blue Flame' moving before you everywhere you go. With my heart enfolding you forever, Lovingly,

"MAMA, DADDY & ALL."

GOVERNMENT'S EXHIBIT No. 154

was received in evidence.

This letter bore the signature of Mrs. Ballard and it is in her handwriting. It was mailed to my home.

Said letter reads as follows:

"Belmont Plaza,
"Lexington Avenue at Forty-Ninth Street,
"New York.
"Nov. 16, 1939

"Precious Ones:

"Your wire came this A. M. and I am enclosing your 300.00 allowance check but I do not know how your house rent nor tuition at the flying school stands. I have asked you several times when you expect to move and what months the 400.00 rent check I sent you from Washington or Phila. paid for. Please state plainly when your rent at the Ulel home begins and whether or not you have paid your last month's rent at Mr. Harker's. Give me this definitely and don't hedge. I am carrying all I can stand and am trying to release Jesus & Nada's Songs for the Shrine Class.

(Testimony of Portia A. Terry.)

"Don't run up any more such telephone bills as that last one. It is ridiculous and we simply [291] cannot stand anything more of that kind.

"We have not yet been able to release the cars to come west on and Papa needs help in every way now more than ever in his life and I cannot sacrifice his peace of mind any longer. Stay within your allowance this month strictly. Let me know about your schooling. We will be here I think until Sunday nite and you had better drop me a line here.

"I have worked and worked for everybody, until I could drop in my tracks. So far everyone has come out O.K. but I would like one breath at least before something else lands to be taken care of. Do not fail on your protective work once and don't give Portia anything more to handle. Give Portia & Louisa our Love and a whole lot for your own dear selves. Papa and Frank send theirs too.

"Lovingly,

"MAMA."

GOVERNMENT'S EXHIBIT 155

was written in evidence, with the exception of that portion starting with the last two words on the front page and including eight lines on the second page.

(Testimony of Portia A. Terry.)

Said letter reads as follows:

"Hotel Washington
"Penna Ave. at 15th Street
"Washington, D. C.
"Nov. 28, 1939.

"Precious Darlings:

"Enclosed is check for $200.00 for your Christmas spending money. One hundred of it is for each of you, so be good little darlings and divide it evenly. [292]

"You will have returned by the time this arrives and I trust everything will be harmonious and Perfect.

"Yesterday we sent you, % of Portia at Sierra Madre, a permit from Daddy and the Foundation to drive your blue car which was bought in Daddy's name.

(The next portion is deleted from original letter)

"Please sign that paper and return the carbon for our file and Foundation records. It has already been notarized by the notary here, so keep it on you or in the car; and it also gives you authority to drive any other cars of the Foundation too. Then any time you are protected. Take good care of Portia and just as soon as I arrive, I will give her a treatment.

(Testimony of Portia A. Terry.)

Give her and Louisa all our Love and enough for yourselves to give you your Ascension.

"Lovingly,

"MAMA."

This letter was received through the mail. It is in Mrs. Ballard's handwriting. This letter and also Government's Exhibits 153 and 154 were addressed to Mr. and Mrs. Donald Ballard. The treatments referred to therein to be given by Mrs. Ballard to me were such as I had received before. They consisted of Mr. Ballard standing up and rubbing his hands down my spine. Mrs. Ballard would treat me by standing up and giving a command or a decree. I had received these treatments on and off from the time I was in the movement.

The witness identified Government's Exhibit 75 for identification as bearing Donald Ballard's signature. Said document was received in evidence as

GOVERNMENT'S EXHIBIT 75. [293]

Said letter reads as follows:

"Saint Germain Press

"Post Office Box 1133

"Chicago, Illinois

"Nov. 21, 1934.

"Dear Mr. Sieber:

"In your recent letter to Mr. Erickson you requested the immediate shipment of a quantity

(Testimony of Portia A. Terry.)

of books. As you know I am handling much of the business for Mother and Dad and will be doing so during the time they are away. Therefore, your request was turned over to me. I have received instructions to retain all remaining copies of the first edition for filling the orders for the Chicago area as we have less than fifty books left. However, the second edition is due off the press shortly. I hope to have a quantity on hand within three weeks at the latest. This may seem a long time to wait but under the code regulations of the N.R.A. the printers can only work so fast. Besides this I shall also communicate immediately with Mother and Dad to see if there is any way in which I can rush the requested order of a part of it to you.

"In the above I have stated the situation concerning the books as it stands and you may be sure of my fullest cooperation. From your letter I suppose that you and Helen Smith have formed a committee for handling the business end and bookings of the class and book activities which will be a great help to Mother and Dad as they have all they can do. I would appreciate it if you would write me as to the exact form and activities of the committee so that I can [294] turn over to you all helpful information without delay.

"In spite of the fact that this was supposed to be a business letter I would like to send my personal greetings to your wife and your son

(Testimony of **Portia A. Terry.**)

Harry and I hope to come down East and see all the friends of the first ten day class within a few weeks.

"With all the love, power and success of the I Am presence.

"DONALD BALLARD."

Cross Examination

The Witness: I have been over my testimony several times with the United States Attorney and the Post Office Inspectors. At the time Mrs. Ballard talked to me about Don and Marjorie marrying, Don was about 18 years of age and Marjorie was 7½ years older. I was enthusiastic about the Ballard movement and serious in it and my enthusiasm and sincerity did not begin to wane until after Mr. Ballard's death and up to March of 1940. When the episode happened at the Shrine Auditorium when Donald wanted to get up and as he said, "expose the work," I was confused, but in my own mind I covered it up. Present, beside Marjorie, Donald, the Ballards and myself, at the staff meeting when Donald was told to "shut up," were Betty Mundy, Frank Vonderhoya, Mary Ketcham, Harry Rogers, Catherine Rogers, Virginia LaFerrera, Vinton LaFerrera, and others I don't recall. I knew at that time that Donald was correct in his defense. I don't remember what it was but I knew it was true, that is, his defense. What he said didn't have anything to do with what had theretofore been

(Testimony of Portia A. Terry.)

said on the platform as to the appearance of the ascended masters. Though this caused me to check up things in my own mind as to the merits of the movement, I continued to be serious in my advocacy of the movement. Prior to Mr. Ballard's [295] commenting on Exhibit 153 as to R. T.'s insurance, I had talked to her about the situation and she had said not to worry.

DEFENDANTS' EXHIBIT V

was received in evidence and the witness testified she sent that telegram to the Ballards on or about the date it bears.

Said telegram reads as follows:

"Sierra Madre, Calif.
"Nov. 7, 1939

"Mr. and Mrs. G. W. Ballard,
"Hotel Washington,
"Washington, D. C.

"Help us make call Roys Secretary let insurance lapse one day Attorneys working on technicalities Love—

"PORTIA."

Among the things discussed from the platform was that you could get help from others in calling for assistance of the I Am Presence, in addition to asking it yourself.

I knew Don and Marjorie had a regular allowance out of Chicago but I didn't know how much.

(Testimony of Portia A. Terry.)

I am not real sure that the allowance was coming from Chicago. (Tr. Vol. 13, p. 1967.)

Redirect Examination

I never knew how much over and above his allowance Donald received.

ELSIE BUCKINGHAM PINKERTON

was called as a witness in behalf of the Government and testified as follows: (Tr. Vol. 13, p. 1969.)

Direct Examination

I live in Toledo, Ohio. I attend Toledo University. I am a senior. My parents and sisters were followers of the Ballard movement. In 1935, in Toledo, I had a conversation with Donald; my sister Audrey was present. We had attended a meeting of the I Am movement and the meeting was over. The [296] meeting had been in the ballroom of the Hotel Waldorf. At this time Donald motioned to some people who had congregated around Mrs. Ballard, congratulating her on her class, and stated: "How much longer are those people going to swallow that stuff."

Cross Examination

I was about 15 or 16 years of age at the time of this conversation with Donald in Toledo. He was about 17.

HELEN M. PINKERTON

was called as a witness in behalf of the Government and testified as follows:

Direct Examination

I have four daughters. Elise is my eldest. I met the Ballards at Miami in a class in February of 1935. I left the movement in September or October of 1937. Mr. and Mrs. Ballard and Mrs. Mundy stated that the two books "The Magic Presence" and the "I Am Discourse" in which Mr. Ballard related his experiences with the Ascended Masters, would soon come off the press, that is, he said that as to "The Magic Presence." As to the "I Am Discourses" he said they were given to him in their home in Chicago in the audible voice of the Master. We attended a movie with the Ballards and Mrs. Mundy and Max Gysi in which a panther was shown and Mr. Ballard commented that that was exactly the way it was in "The Unveiled Mysteries." I believed in the authenticity of these experiences and in the truth of the representations made by the Ballards regarding the receiving of the I Am discourses. I purchased sets of the books from the Saint Germain Press, Inc. We had at least six complete sets. We had three or four subscriptions to the magazine "The Voice." My husband, myself and my mother and the three eldest of my children read these. The reason we had individual sets was because Mrs. Ballard said that each set contained the individual's own vibrations and no one else

(Testimony of Helen M. Pinkerton.)

should touch the individual's books. We also bought music sheets, decree books [297] and charts. An individual chart of the I Am Presence was framed in each bedroom. In Miami I asked Mrs. Ballard if she would ask Saint Germain if I could start a class in Toledo and she said she would ask him. Thereafter she said that Saint Germain had not contacted them but she and Mr. Ballard thought it would be quite all right if I started a class with my husband. Thereafter we started three classes in Toledo and sold books from the Saint Germain press. We paid the regular price for these books. In September of 1935, the Ballards gave a class in Toledo after which we were supposed to receive a 30% discount on the books but we did not actually accept it but sent the full price. In Miami, at the class, Mrs. Ballard gave us the law of precipitation as the very natural law of being and that every individual could precipitate whatever he needed. At one of these classes Mr. Ballard stated that a picture in the Ballard's home had been precipitated by two elderly ladies in Chicago who had precipitated it some years before he, Mr. Ballard, met Mrs. Ballard. Later I visited the home of the Ballards in Chicago and Louise Majerus showed us through the first floor and the basement where the Saint Germain Press was located. We were shown the dining room where the discourses were given. Mrs. Majerus explained where each would sit and how the light ray would come through the

(Testimony of Helen M. Pinkerton.)

windows. When the Ballards gave their Toledo class in September of 1935 they took up a collection of love offerings and retained the full amount thereof. The Ballards also sold books that they had brought. At a Miami class the Ballards stated that a tidal wave had been averted on the Eastern coast; that the Mighty I Am Presence had saved the Eastern coast from this tidal wave. I attended classes in Los Angeles, Detroit and Cleveland. I contributed love gifts of about $20 to $35 for a ten day class. I did so because the Ballards had said time after time that if the students [298] released money they also released blessings and that the money into whose hands it would pass would be helped. While attending the Shrine Convention in Los Angeles I had a conversation with Mrs. Ballard at the Figuerora Hotel in which Mrs. Ballard accused my husband and myself of commercializing the I Am. She also said our house was full of tobacco entities which were vicious and dangerous and when I went back to Toledo I should take all my four children and leave my husband. She said unless I did so all my children would die, starting with the youngest. My husband was the vice-president of a tobacco company in Toledo.

Cross Examination

I met Mrs. Bliss when I came to California to these get-togethers. I am also acquainted with Mrs. Maude Hill. I hardly know Mrs. LaFerrera. I have

(Testimony of Helen M. Pinkerton.)

not talked over with them the subject matter of my testimony. Well, we probably had a conversation. We talked about it (the testimony) but not numerous times. I talked to an United States Attorney last year and this year and to a Mr. Casey, a Post Office Inspector in Toledo. I entered the I Am movement early in March of 1935 and left in October of 1937. I did not, upon returning to Toledo from the Shrine class, leave my husband. When Mrs. Ballard said that my children would die if I did not leave my husband, my understanding of the teachings had a blow at that time and I could not begin to believe such a thing. I did not believe in the leader any longer. That was the first time I began to doubt the Ballards' leadership or the quality of it. (Tr. Vol. 13, p. 1993.) I continued to conduct my classes however because I did not want to let down the students whom I had encouraged to join the organization. I was taught that the matter of acquirement of things depended upon the call that I would make for perfection through my Highty I Am Presence; that the Mighty [299] I Am Presence was a storehouse of Perfection. That the light around our presence held the gift of every good thing because it was the constructively used energy that we had used through all our embodiments, waiting to be poured out to us if we could just make the call and become harmonized. The Ballards said that they would never ask a penny of a living soul but that the love boxes were in the

(Testimony of Helen M. Pinkerton.)

outer hall for our use. I don't remember anyone asking how much we gave. I never told the Ballards how much I gave. As to whether the envelopes were sealed or not I don't know. I did not get a chance to talk to the Ballards very often but they never snubbed me. I gave the love offerings because I was so joyously happy that I understood the I Am teachings that if I had had a million dollars and could have spared it I would have passed it into the work. I wrote the letter dated February 11, 1935.

Said document was received in evidence as

DEFENDANTS' EXHIBIT W.

Said document reads as follows:

"Feb. 11th on the train

"Dear Beloved Messenger of Light:—

"Sunday night I was depressed—the selfish human sense of loss was hard for my I Am to conquer. But by dawn, I was again above all human concepts, and the soul of me was glad and then my glorious 'I AM' gave me a poem of thanksgiving, which you will find enclosed. It doesn't rhyme, but it is beautiful just the same. I could have written poetry for an hour there was so much to be thankful for.

"Darlings you gave, gave, gave—your time, strength, love and inspiration and a flood of appreciation for all these priceless jewels is flooding [300] my heart and soul. My poem of

(Testimony of Helen M. Pinkerton.)

course was inspired by the poem you read to us from the Magic Presence. I think it is the most soul-stirring poem in the world! I can hardly wait to receive my new book and the discourses.

"My dearest dears, now that we all belong to St. Germain's own family, won't you please know that all our hearts beat as one for the noble cause for which you and Mr. Ballard are giving your All. For did not Jesus say, 'where two or three are gathered together in my name, there am I in the midst?' And now there will be three of us giving devotion to the one I Am.

"I am getting so much out of the Jesus Discourses which I have been reading once or twice a day. She and Mother will be so overjoyed to receive their copies. The train is so shaky that I hope you can read this. I have been holding so strongly to the I Am since I left Miami this morning, and it gives one such a calm assurance of the ultimate victory.

"You darlings have let me get so close to you personally, and the glory in such contact is beyond all human feeling! Even when I tried to feel the awe and humility due my teachers —both of you would gather me close enough to feel your heart beats, and I'd feel transfigured as if bathed in violet flame. God bless you, dearest dears, and may the glorious day come to pass when you can be our honored guests and

(Testimony of Helen M. Pinkerton.)

give your pure radiation to our blessed family.

"With my love I enfold you, & with the Blessings of the Great I Am Presence I caress you. [301]

"Beloved Messengers of the Light.

"Your 'Unveiled'

"HELEN."

After my daughter had the conversation with Donald that she testified to, that same evening she told me about it. Thereafter I wrote a letter dated October 18, 1935.

Said document was received in evidence as

DEFENDANTS' EXHIBIT X.

Said letter reads as follows:

"My Blessed, adorable Ballards!

"Of course this letter is a bit late, but lets hope its all the sweeter! I remained home tonight from a big Chemical Convention dinner, in order to write you dear ones, blessed Margaret, and dear Maude.

"Time flies by so rapidly when one is happily busy from six a. m. until mid-night each day, but somehow I don't seem to require much sleep any more.

"I am now engaging my Swedish laundress to do my cleaning, also, thus giving my maid lots of time to care exclusively for the baby. This will give me the time I require for 'I Am'

(Testimony of Helen M. Pinkerton.)

letter-writing, and healing work, and visits of advice with the students.

"The Radiation in my head is so strong at this point, that it is as if the Light was streaming thru into my body.

"Beloved Messengers, our students want me to thank you again and again for the glorious lecture you gave us—a lecture inspiring each and all the 350 present, with renewed life and vitality, giving them higher ideals to live up to, and charging them with the magic powers of the Mighty 'I Am' Presence!!!

"Glorious-nearly-Ascended-Beings of the Light! ask Blessed Saint Germain if you could give us a ten-day-course between December first and January first? We are asking the Mighty 'I AM' Presence to bring you back to us for ten exhalted lectures, (or maybe 20), and when a goodly number of students do this earnestly, it is apt to accomplish wonders!!! The Washington class closes on December first, and the Los Angeles class opens on January first, so we are praying that Saint Germain will ask you to give us a full class here during that interval. Miracles do happen and you want us to believe in the Miracle-working Presence.

"I had a strange experience at the last Wednesday night class. I had asked the 'I Am' to give me more time, since I had so

(Testimony of Helen M. Pinkerton.)

much splendid material to give them, but the answer was—'eight to nine-thirty as usual.' Then to my amazement, I broke thru the Veil into the timelessness of the Great Silence, and was able to give my students twice as long a lesson as usual—must slower than usual, and with a sense of Peace and Love that was most beautiful. It amazed them all, and Sher and I have been wonderfully uplifted thru this beautiful experience. The radiation was the highest we have ever experienced in our class. Most of the students arrive at 7:30 and we have a silence until 8 p. m. This puts us 'in tune with the Infinite.'

"Please give your 'whole dear Family our dearest Love and blessings, and most especially Don and Max, with oceans for yourselves.

"'In loving, adoring service into the Light—

"I Am

"HELEN." [303]

"October 18th, 1935.

The Witness: The healing I referred to in the letter was when students would call up and say that they had a headache; I would tell them to be very still and use the law that the Ballards gave asking the Presence to take charge of the situation; that I would call the Might I Am Presence into action. I did not tell them that I would put into activity the method of healing that the Ballards

(Testimony of Helen M. Pinkerton.)

had told me repeatedly to employ. Ever since I was 18 I have been a healer. I have had healing powers. The teachings of the Ballards in respect to the healing was very similar to the teachings that I had been brought up in where love is everything in unity. Later on, however, the Ballards engaged in too much blasting. At the Shrine class in 1936 in Los Angeles the vicious carnate and discarnate entities were blasted. I did not use the blasting in my work. There were two classes in Toledo and the leaders were directed to do what they were told and I told them if they wanted these decrees they should go to the other classes; that it didn't make any difference to me. Right after I left the I Am movement I sent to our students copies of the document dated October 9, 1937.

Said document was received in evidence as

DEFENDANTS' EXHIBIT Y.

Said document reads as follows:

"October 9th, 1937

"Beloved Students:

"Having been the Leader of the Wednesday Night 'I Am' Study Group for over two and a half years, I wish to thank you for your loyal support of this work, and beautiful co-operation at all times. Our association has been a joyous experience and there has been so much love expressed throughout.

(Testimony of Helen M. Pinkerton.)

"Now I have an announcement to make to you, [304] which would have been made next Wednesday night, if I had not been called out of the city. There will be no 'I Am' Study Group on Wednesday nights hereafter.

"After prayerful consideration over a period of months, I have decided to give up the Leadership of my Wednesday night Class and withdraw from the St. Germain Decree work under the auspices of the Ballards. I shall never give up the 'I Am' and all it stands for, and shall always be 100% for the teaching of Truth and the Absolute. And let me assure you that there has always been perfect harmony in our association with the other Leaders, all of the dear students, and between us and the Beloved Ballards.

"I am writing to the Ballards also at this time, resigning as an 'I AM' Group Leader and thanking them for the magnificent work they have accomplished, individually and collectively and for America and the world. Our blessings are with them and their work always.

"You are privileged to attend the Monday and Tuesday night 'I AM' Study Groups under the splendid leadership of Miss Schanbacher, at the Y.W.C.A. and Mr. Wright at the Secor Hotel. They will welcome you joyously. God bless them.

(Testimony of Helen M. Pinkerton.)

"I wish to be free from the restrictions of the Decree Class and let Inspiration take part in any class I lead hereafter.

"Therefore, I am starting a New Class Wednesday, Oct. 20th, 8:00 p.m. to 9:30 in our own home where we will meet each Wednesday night thereafter to study and expand in consciousness, as we gather our Light from the 'I AM' books and any other books inspired [305] with Truth and Light. You are cordially invited to attend this class which will be dedicated to the highest ideals, to peace, love, Light and all that the heart holds most dear, and to the attainment of our Perfection and Mastery.

"This will mean farewell to many of you blessed students, and a welcome to others, but may the freedom of the Light bless you always and may the Light of the Great Central Sun enfold you within its radiant embrace forever.

"In deepest love and heartfelt appreciation from one who has led your class sincerely and earnestly, and who will bless you forever,

"In the Service of the Light,

"HELEN M. PINKERTON."

"1978 Richmond Rd.,
"Toledo, Ohio."

The Witness: When Mrs. Ballard told me in Miami, after I asked her permission to start a Toledo class, that she had not heard from Saint Ger-

(Testimony of Helen M. Pinkerton.)

main, she did not say that it was for the purpose of spreading the I Am work. (Tr. Vol. 13, p. 2015.)

Defendants' Exhibit Z for identification was marked. The witness testified that she wrote that letter. Counsel for defendants explained that it was only a portion of a letter, the balance not having been located.

I don't know whether this letter was written after the close of the Ballards' class in Los Angeles but I only attended one class in Los Angeles and that was the 1936 class.

Said document was received in evidence as

DEFENDANTS' EXHIBIT Z.

The portion of letter reads:

"My Darling Ballards:

"I just received a joyous letter from dear Maud [306] Hill, telling me so many interesting things about your Los Angeles classes. How glorious that you had such marvelous classes, and that you had to give a second class just to satisfy the enormous demand! Los Angeles has long been a center for higher Truth, but even so this response was surprising to say the least. Dear Max told me a few words about the original problem facing you there at the outset—and how magically the problems melted away before the help of the 'Mighty I Am Presence.'

(Testimony of Helen M. Pinkerton.)

"Mrs. Hill is looking forward so joyously to your visit, and what a treat it will be for you all. I shall be with you in spirit for my heart is with you always anyway.

"We are looking forward ourselves to having the beloved Messenger, Mrs. Margaret Pettit with us May 3rd, 4th and 5th, giving our Radiation group three lovely classes. Mrs. Hill's daughter, Alice Schonlaw, will drive Mrs. Pettit and a girl friend, Beatrice Churchill, down to Toledo. We regret that we cannot entertain them all here, but will try to see as much of them as possible. Margaret will sing for us 'the Silent Watcher' if we can arrange to have a piano in our hall at the hotel.

"My dearest dears, we have had four study group meetings since our Ferguson class, and the attendance has always been over forty. I seem to have slipped into the 'role' of Leader, and last Wednesday night, when I read the Jesus discourse of January first, 1935, I felt such a powerful radiation that every word I read of that glorious message seemed charged with powerful conviction! Even my voice became inspired and I felt [307] as tho Jesus was speaking thrut me!!! Many members of the class stepped up at the close to remark about the wonderful radiation and the clear, powerful conviction of every word of the discourses which passed my lips. Time and gain

(Testimony of Helen M. Pinkerton.)

> I am inspired to enlarge upon the various subjects (in loving memory of that glorious Miami class), but as a study leader I remain silent for the most part. I know positively that I have led in Truth work in other lives, and I am praying that Saint Germain will some day find me worthy to help in this work. The Fergusons gave us permission to remain in a single group for the present, but I recall only too clearly that our instructions in Florida regarding study groups, * * *."

I don't think this letter followed the class I attended as I refer to what Maude Hill stated. I don't think she attended the class before I did as I think I attended the first Ballard class in Los Angeles, although this might have been the second one. It probably was because she is telling me about it.

Direct Examination
(Redirect)

Before our class in Toledo in September of 1935, Mrs. Ballard stated that after one's ascension one can come back in his physical, tangible, visible body and hence I didn't have to be concerned about making an ascension and being separated from my children and husband. I didn't care to risk it, however. I never made an ascension. I am very human. (Tr. Vol. 13, p. 2023.)

(Testimony of Helen M. Pinkerton.)

Cross Examination

(Recross Examination)

The ascension as taught to me was to occur from the physical octave after we had used all the laws given by Saint Germain and purified our bodies with the light of one's presence until the light shown through it like a light within an alabaster [308] lamp. It was possible if we harmonized sufficiently and did not have an opinion about anything. We could not have the ascension unless we used the violet flame and called the Presence into action and the flame would dissolve the human creation around us and all these entities that were hanging onto us from all of our past embodiments. I believed it, I swallowed it whole. If I had reached the stage where I had felt I had attained perfection I would not be here.

Redirect Examination

I followed the Ballards' instructions to the best of my ability during my association with the Ballard movement.

Recross Examination

When I left the Ballard movement in 1937 I still felt I had to go forward—wherever the light was I was willing to take it. That was because I believed in Jesus Christ and because I am a Christian and because I believe in love and because I was raised on love in unity. We paid for subscriptions to "The

(Testimony of Helen M. Pinkerton.)

Voice" magazine. The price was originally $2.50 a year, subsequently, $3.00—35¢ a copy. There was nothing free in the work except our instructions to the leaders and those sheets were sent every couple of weeks.

Exception No. 63

(As to Count 8)

There was received in evidence as Government's Exhibit 156, an envelope addressed to Miss Lucille C. Seifert, 551 South Gramercy, Los Angeles, California, and a copy of the June 1940 issue of "The Voice" and it was stipulated in respect thereto that if Miss Seifert were called as a witness she would testify that she received the envelope and the magazine through the mail. Objection was made, however, upon the ground that it was incompetent, irrelevant and immaterial, no proper foundation had been laid (except as stipulated to) and for the further [309] reason that the exhibit shows on its face that it was published by the Sindelar Studios, and by stipulation it is agreed that the Sindelars were defendants in the last trial and were acquitted; that therefore the matter had been determined to be not an integral part of the scheme. Exception was allowed. (This document pertains to Count 8 of the indictment.)

MERLE CASTERLINE

was called as a witness on behalf of the Government and testified as follows: (Tr. Vol. 13, p. 2030.)

I am acquainted with defendant, Mr. Cassiere. I am from Cleveland, Ohio. I first met Mr. Cassiere in January or February of 1936. He conducted two classes in Cleveland at Carnegie Hall and I attended three of his first ten lectures and nine of the second. Mr. Cassiere said that a person made an ascension in their physical body after they had perfected themselves through the use of the violet flame. He sold "The Magic Presence," "The I Am Discourses" and "Unveiled Mysteries." Love gifts were taken up. The Ballards were not present. Announcement was made at these meetings that one should give and give liberally because you only receive as you give. After one class on a Sunday evening a group of us had lunch with Mr. Cassiere and he stated that the reason he had come back to Ohio for a third class after being flooded out in Pittsburgh was because his pockets were empty. He said he knew he could get his pockets filled in Cleveland. When he came back to Cleveland for the third class he said that he had come back to save Cleveland from a flood. That there was to be an earthquake under the lake and the city was to drop into the lake unless the students would build a wall of light sufficient to save Cleveland. He stated that Mr. Ballard's experiences as recited in "Unveiled Mysteries" were true; also as to "The Magic

(Testimony of Merle Casterline.)

Presence." The Ballards conducted a meeting in the auditorium in Cleveland on November 3, 1936. My wife helped [310] Mrs. Mundy. I had charge of the ushers for which I was not paid. I heard my wife count the proceeds received from the sale of autographed books during the three days of said class. These were being autographed by Mr. Ballard and the proceeds were over $700. In addition to these autographed books, other books and literature was sold. During this class, from the platform I heard Mrs. Ballard say that there would be a destruction of the earth or an earthquake or the gas belts were to let go within two years and securities would be no good. That it would be better to sell the securities, keep what one needed for the two years, and give the rest to the I Am. I am familiar with the Saint Germain picture as contained in "Unveiled Mysteries." In October of 1936 I was talking to Mr. Cassiere after a meeting and a lady approached and asked about the symbols over the head of Saint Germain. He replied "Saint Germain hasn't told us yet, but when he does, we will let the students know." I have heard him say on many occasions that Saint Germain came and gave him instructions. I heard Mr. Cassiere say that precipitation was the turning of the unseen into the seen of an object that you wanted.

Cross Examination

I am 62 years old. I have had quite an education in spiritual matters. I have been a Bible student.

(Testimony of Merle Casterline.)

I have read quite a bit of the occult and have made a study of the metaphysical. At the time that I attended the I am meetings I was a leader of the metaphysical class. I did not earn my living from that, I had made my living from selling church and school furniture for one thing. Previous to that I was a messenger of the gospel. About four months after I attended the I Am meetings I turned my metaphysical class into an I Am class. This class continued until May, 1937, at which time I broke off with the I Am movement. Since then I have not conducted any [311] classes, Metaphysical or otherwise. I read the "Unveiled Mysteries," "The Magic Presence," "The I Am Discourses" and the Affirmations. From the time I first entered the I Am movement I did not accept it entirely. I am from Missouri. There were a good many truths mixed up with it—I was not certain for a while. I did not believe in the truth of the statement that a catastrophe was going to destroy the earth within two years and that securities should be sold and all proceeds not needed for over two years should be given to the I Am. I wrote the letters dated May 28, 1937, and June 5, 1937.

Said letter of May 28, 1937, was received in evidence as

DEFENDANTS' EXHIBIT AA,

with the exception of a portion marked with red and blue crayon. It reads as follows:

(Testimony of Merle Casterline.)

Lakewood, May 28, 1937

"Mrs. E. W. Ballard,
"Detroit, Mich.

"My dear Mrs. Ballard:—

"I am addressing you because I am thoroughly convinced that you run the show as far as the 'I AM' work is concerned.

"In order that there may be no chance for misconstruels of this letter I am sending copies of it to several 'I AM' leaders and to Mr. and Mrs. Ferguson, your former associate Messenger.

"The going forth of this letter severs any and all connection I have had with the teaching or leading of any 'I AM' Group patterned after the mode favored by you and Mr. Ballard.

"Weeks ago we decided here that the Lakewood class would not follow certain instructions laid down by you among which was the use of the outline. At that time we dismissed three or four members of the class who chose to [312] go where the outline was to be used, but in return five or six others, who left class where the outline was used and who could not see it came with us. Our giving up connection with you doesn't necessarily mean that we are going to cease giving 'I AM' instruction, it simply means that we are not going to give it after your methods. This frees us to follow the leadings of

(Testimony of Merle Casterline.)

our own Christ within and at the same time removes from you any embarassment which might result from a dual teaching in the I AM as lead by you.

"Our first doubt of the possible reliability of the 'I AM' message as given out by you occured during the trouble we had here last autumn when 'Bill' Cassiere attempted, with your aid, so I am informed by Mrs. Hargreaves, to organize the I AM work here and in Ohio and was stopped by the protests of the group leaders here, this protest, I am happy to say, was *lead* by me. At that time I didn't know that you had a finger in the pie, and so when Mr. Cassiere was not subjected to any punishment, I began to think and also began to investigate and my investigations started at the Bible end. I knew that Bill hated the Bible and suspected that you did. As I have had a very thorough training in, not only Biblical literature, but also in Aramaic and Semitic literature, I know the meaning of the stem roots used in Aramaic, Hebrew, Greek and Latin versions of the Bible. So, when Bill began to rave about Jehovah as being from the astral world, I knew that he was ignorant because the stem root of the Hebrew word in Jehovah, or Yahveh, means I AM while the verbal forms means 'He who begins to be and is.' During all the time I have known Bill I have caught [313] him in about an hundred

(Testimony of Merle Casterline.)

mistakes in Biblical quotations and interpretations. I have caught a few on you as well. On page 309, lines 10 and 11, in the Discourse book you have the one you call Saint Germain quote Jesus as saying, 'See no man after the flesh.' As a matter of fact Jesus never did say that or anything like it. Paul wrote it, but not as a command, but simply a statement of what he was determined to do hereafter. If you are curious you will find Paul's statement in 2 Cor. 5:16. Of course you might get YOUR Saint Germain to make a statement that Jesus did say it and it was NOT recorded, but such a statement would be merely laughed at by those who KNOW their Bible.

"As a former Biblical research worker this work came very natural to me and I soon became convinced that the Jesus you quoted in Discourses was NOT the Jesus of the Bible. The language, style, methods of work, manner of thought were all different from the Jesus of the Bible. In short He was a different man altogether. From being a kindly loving man he has become, in your teaching one who can condemn and threaten all who oppose your own little schemes.

"Next an early examination of the Discourses in the 'Voice' satisfied me that ALL of them were authored by the same person, and that person Mr. Ballard. However, to make sure I

(Testimony of Merle Casterline.)

submitted them to two literary critics, one of them a former magazine editor, and they both stated that they were prepared to state that one person wrote ALL the Discourses in the magazines.

(A portion is deleted from the original letter at this point.)

"Those long decrees—I never did use them. They [314] are silly, inane, and only a flood of words thrown out by the astral world to take one's attention from his or her Christ mind.

"To-day for the first time I have read Dr. Bryan's Brochures, and I fully agree with him. Mr. Ballard's experiences in the first two books are surely plagarized from other authors. The time element in his books is wrong. It would have been impossible for him to sail on a boat for Europe on Aug. 28, 1932, spend ten months abroad and return to receive the Discourses over the light and sound ray from Oct. to Dec. 1932. Yet these two books make such statements.

"Under these circumstances I must pronounce your work anti-Christ and withdraw from all association with it, yet at the same time I admit that it is not all evil. A great many good things have come forth from your work, but like John Alexander Dowie, you have allowed the personal self to creep in, thereby inviting

(Testimony of Merle Casterline.)

in the astral disembodied to reassume control of your lives and these astral entities are making you destroy your own work.

"I bless you for the good work you have done and I earnestly pray that you will be able to shake yourself free from entity control.

"I am yours,"

The letter dated June 5, 1937, was received in evidence as

DEFENDANTS' EXHIBIT BB.

It reads as follows:

Lakewood, Ohio, June 5, 1937.

"My Dear Mrs. Ballard:—

"Lest you might interpret my recent letter to mean that I believe that you and Mr. Ballard started out to deliberately deceive the religious public, I am adding this to my letter. I do not believe such to be the [315] case. I am able to accept the TEACHING in the first Three books, but I do believe that in the last year in some way, unknown to yourselves, you have been used by those who would be the natural enemies of such a teaching. I cannot follow the outline, I cannot accept the discourses in the magazines, I cannot accept the EXPERIENCES, I cannot accept the long decrees, for Jesus said that a man wouldn't be heard for much speaking, but let a man's communication be, yea, yea and nay, nay.

(Testimony of Merle Casterline.)

"Under these circumstances I believed it to be far better to retire as a leader than to enter into a controversy. Such a move would set us both free, I to teach what I could accept, and, having no direct connection with you, naturally you could not be looked upon as responsible for what came out of our class. It was fair to you and fair to us. I am not your enemy nor an enemy of what you sincerely believe you should teach. I am just a son of the 'I AM' who wishes well to you and wouldn't lift a finger publicly against you or your work. After all Gamiel's advice to the Jews as to what they ought to do about the new Christian faith, is as pertinent today as it was then, he said: 'Leave them alone, if it is of God you can't stop it and you would be fighting against God, if it is not of God it will fall to the ground.'

"With that statement I am content and you ought to be. If my work is of God you can't stop it, if not it will fail and the same thing is true of your work, if it is true, no man can stop it, if not it will fall of itself, so why fight?

"Sincerely

"MERTON CASTERLINE."

The Witness: I discussed with the Government Officials [316] two or three times the statement I

(Testimony of Merle Casterline.)

have made about Mrs. Ballard suggesting that the securities be sold. I don't think I mentioned it to Government's counsel, not even before I went on the stand today. No, I didn't tell any Post Office Inspector about it but maybe Mrs. Casterline did.

ERNEST C. RICORD

was called as a witness by and on behalf of the Government and testified as follows: (Tr. Vol. 14, p. 2068.)

I live in Burbank, California, and am a real estate salesman. I have only lived in this locality for one year. I became a member of the I Am movement in July, 1935, and ceased being a member in November, 1939. I was a hundred percenter. I had signed an application for the hundred percent group and during the period of time that I was a hundred percenter I endeavored to live according to the agreements expressed in the application. I attended the meetings of the Minutemen Organization of the I Am group. I purchased about 12 or 15 books of the I Am movement. The Ballards stated from the platform that the events related therein were true and real. I believed this. I heard Mrs. Ballard state that eventually every person would have to make an ascension; that to make an ascension one had to purify one's physical body so that he could take it with him and not have to pass through what we call

(Testimony of Ernest C. Ricord.)

death. I believed this. They stated that every I Am student could make the ascension in the embodiment in which he first learned of the I Am teaching. I knew Mr. Frank B. Kelly. Government's Exhibit 140 is a picture of him. He was a member of the I Am. I knew him prior to his death. He died in February of 1939. I was present at his funeral and saw his body lying in the casket. I didn't see the ultimate disposal of the remains. I remained in the mortuary. This was in Los Angeles. A few months later in Los Angeles at a Minute Men's meeting, Mr. Ballard, in the assembly rooms of [317] the Friday Morning Building in Los Angeles, stated that Mr. Kelly had made an ascension. I don't know the names of the other men who were present. I was a close friend of Harry Rogers. I recall having seen the group leader letter dated June 30, 1939, Government's Exhibit 104; particularly the part marked on page 3.

Cross-Examination

The teaching was that until the student reached that degree of perfection which entitled him to ascend, he would not ascend. I never reached the stage of perfection which I thought entitled me to ascend. I was not ashamed of any of the things I did in connection with the hundred percent group. The idea was that we should attempt to make better men of ourselves. This I tried to do. During the time I was a member of the I Am movement I feel that I improved myself from the standpoint of

(Testimony of Ernest C. Ricord.)

mental attitude toward people and insofar as my attitude toward the Government, that is, insofar as the Constitution being an inspired instrument was concerned. This was taught to the I Am members, particularly to the Minute Men's group. I would not call the Minute Men's group an association but merely a series of meetings wherein particular instruction was given in respect to the preservation of the system of government under which we were living. I don't recall Mr. Ballard saying that Mr. Kelly had told him that Mrs. Kelly had made the ascension. I didn't talk to Mrs. Kelly about it myself. I read in Government's Exhibit 104, in referring to Mr. Kelly, 'Under the new dispensation he drew into his estheric body that purified substance and its ascension was made.' I rather doubted it at that time. I began to doubt about June, 1939. I would not say I was the confident of Harry Rogers—I would say I was his associate. I assisted him in his work. During a large part of the time that I was in the movement I lived with Harry Rogers. His class was [318] dissolved in June (1939). When the Rogers were on trips I supervised his home and the care of his children. While living with Mr. Rogers I discussed the I Am movement in the privacy of our home. I was sincere in my devotion and sincerity in connection with the I Am until June of 1939. Without any third person being present whom we might seek to influence, Mr. Rogers and I would discuss our experiences in the

(Testimony of Ernest C. Ricord.)

I Am. After ascension it was my understanding that there would be eternal life. In the event the state of perfection was not attained in this embodiment, to attain ascension we were taught it would be necessary for us to have a re-embodiment.

Redirect Examination

My goal was toward ascension. The Ballards stated that if we would try hard enough we would make our ascension and I tried but did not attain ascension. Since leaving the movement I am still trying to make myself better. I read 'The Voice' magazine while I was a member. I have heard Mr. Ballard state from the platform, as contained in the Mighty Victory's Discourse, dated August 22, 1938, from 'The Voice' magazine, a part of Government's Exhibit 42, 'Individuals have tried sometimes to see how much they could deceive the messengers, believing that the messengers didn't know everything that was going on.'

Recross Examination

The Ballards told me that Jesus was an ascended master and that he had achieved his ascension by reason of the perfection that he had brought to himself. I believed in an eternal life. The kind of ascension that the Ballards talked about was the kind of ascension that they said Jesus had had. In other words, Jesus didn't have to have another re-embodiment. This was the ultimate goal of every human being.

(Testimony of Ernest C. Ricord.)

Redirect Examination

The Ballards did not teach me that it was because of [319] their I Am teachings that Jesus made his ascension. Before I went into the I Am movement in 1935 I believed in the theory of eternal life.

Recross Examination

The Ballards did say on many occasions that the application of the principles of the I Am movement is what brought about and would bring about the ascension of everybody eventually.

LOUIS I. GOLDBERG

was called as a witness on behalf of the Government and testified as follows:

Direct Examination

I manufacture phonograph transcription records. I met Mrs. Ballard several years ago. The name of our firm was the Allied Phonograph and Record Manufacturing Company, located in Hollywood. I have met Donald Ballard. I met Guy Ballard at the same time I first met Mrs. Ballard and Donald. The records that we manufactured for the I Am movement were identical to Government's Exhibit 150-A. We did business through one Ted Dahl who was a broker or agent. These blue records are made of a vinylite resin. The trade name is alvar. In addition, blue dye for coloring, calcium stearate,

(Testimony of Louis I. Goldberg.)

cumar resin and halowax are used in the formula. The ingredients are mixed, annealed and molded at our plant in Hollywood. We first made this type of record for the I Am in the early summer of 1940 or the late spring. The blue record was made up especially for the I Am people but the ingredients could have been purchased before. No formula was submitted by the Ballards prior to the time that we made this material into records. We had submitted samples before we went into actual production to a Mr. C. P. MacGregor. I don't recall ever having any discussion with Donald Ballard relative to the substance of material in this record. The formula for this record was developed in our own plant under my indirect supervision. I am the manager of the plant. [320]

TED DAHL

was called as a witness in behalf of the Government and testified as follows:

I am in the advertising radio production business. I was employed in that connection by the Allied Advertising Agency in 1937. While so employed I became acquainted with the Ballards. I met Mrs. Ballard in 1937. At that time I was employed in behalf of Allied Advertising Agency as the advertising agency for Mrs. Ballard, that is, to buy radio time, select radio stations and perform other functions of an agency. Our fee was to be the

(Testimony of Ted Dahl.)

usual 15 per cent agency fee. I continued to be advertising agent for the Ballard organization until about six months ago, but in December of 1939, I left the Allied Advertising Agency and had my own agency.

Exception No. 64

Over the objection of defendants that it was immaterial, that there was no charge of any embezzlement or the misuse of any funds in connection with radio, and upon the further ground that it was too indefinite, to which exception was taken, the witness was permitted to testify that during his association with the Ballard movement he handled for radio advertising approximately $190,000.

The Witness: During my association with the I Am movement as advertising agent my dealings were with Mrs. Ballard and Mrs. Mundy principally. In addition to arranging for time and selecting stations we would forward to the stations scripts for their, or their attorneys' approval or disapproval. I supervised the making of the transcriptions and arranged for mailing them to the different radio stations. Mrs. Ballard made these transcriptions and then there was music. To my knowledge Donald didn't participate in the making of these transcriptions. We made a charge for the leasing of the transcriptions. Sometimes the Allied Advertising Agency would receive a check for the transcriptions; sometimes the money was paid di-

(Testimony of Ted Dahl.)

rect to the Ballards. I don't know how much was received for each record. The standard charge [321] was to be $10 for each playing, that is, for each side. If we received checks for the payment of these transcriptions we turned them over to Mrs. Ballard. When we received the money direct to turn over to Mrs. Ballard I presume the payment was $20 a record or $10 a side.

Exception No. 65

Over the objection of defendants that it was immaterial, the witness was permitted to testify that the records had been broadcast to over one hundred stations but he didn't know how many. Exception was allowed.

The Witness: I discussed with Mrs. Ballard the making of phonograph records. I was to find out the prices and make arrangements for the making of the records. This I did. The first records were black. When Mrs. Ballard asked me to get some information about records of a different color than black she didn't give me any formula nor did Donald, nor any other member of the I Am organization. I negotiated with Mr. MacGregor and Mr. Goldberg for the making of the blue records. Mrs. Ballard was present at MacGregor's office when samples were shown us by Mr. Goldberg. I heard nobody make any representation at that meeting relative to any healing power of the material from which these records were made.

(Testimony of Ted Dahl.)

Government's Exhibit 157 was received in evidence.

The Witness: This radio script has notations in the handwriting of Mrs. Ballard. Mr. Lazarus read therefrom.

GOVERNMENT'S EXHIBIT 158,

a letter bearing Mrs. Ballard's signature, was received in evidence and reads as follows:

"Statler Hotel,
"Boston, Mass.,
"9/22/37.

"Mr. Ted Dahl,
"Allied Adv. Agency, Inc.,
"553 South Western Ave., [322]
"Los Angeles, Calif.

"Dear Mr. Dahl:

"Your letter of September 17th just received. Enclosed herewith find check for $130.00 covering the enclosed bill, which kindly receipt and return to us.

"Regarding the $300.00 item of the Boston Broadcast which you have credited to the New York time, we are enclosing a copy of letter just sent Mrs. Ada Cox Fisher of New York, asking that she send you check in full for the bill for both time and records.

"Mrs. Fisher told us on Sunday in New Bedford that she had this already collected. We

(Testimony of Ted Dahl.)

much prefer to handle this in this manner and keep our records straight, for we do not desire to have this money for time appear on our records, where it is possible to handle it otherwise. Also we wish to keep each Station separate.

"Therefore, when Mrs. Fisher sends you check for $1435.00 will you kindly return to us the $360.00 which we advanced to you for the Boston time. Also send us check for $140.00 covering the 7 records. In this way we can both keep our records clear and straight.

"Thank you kindly for list of Stations to whom you sent audition Records, and we feel certain many more than those you have indicated will soon be using these records. We shall send each of the list who are anticipating putting on programs to encourage them and keep before them the need of getting this information to the public at this time.

"The check for Nampa, Idaho was not enclosed.

"Thanking you for all your services, and with all our Love and Blessings, we are

Sincerely in the Light, [323]

MR. & MRS. G. W. BALLARD

By MRS. G. W. BALLARD."

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 159

was received in evidence.

The Witness: This letter was part of my business record. Said letter is a copy and reads as follows:

"Statler Hotel,
"Boston, Mass., 9-22-37.

"Mrs. Ada Cox Fisher,
"Roosevelt Hotel,
"New York, N. Y.

Re: Radio Transcriptions

"Beloved One of the Light:

"Mr. Dahl has just sent us a statement of the New York Broadcasts and we are giving you a notation of same herewith:

7 15 minute periods nighttime 8:45 Oct. 8th to 14th	$1,295.00
7 Records: $20.00 each	140.00
	$1,435.00

"Instead of sending us a check as suggested on Sunday, will you kindly send Mr. Ted Dahl, of the Allied Adv. Agency, 553 South Western Ave., Los Angeles, Calif. a check for the above amount. If you have more than this amount, kindly hold same until we see you in Boston, when we will discuss with you our views on a ten day broadcast at this time.

(Testimony of Ted Dahl.)

"Because of the smallness of the Engineering Auditorium, we feel it would be far better to take any amount you might desire to spend for another three day Broadcast and use it for Transcriptions after the class in New York closes, for that would stimulate the work there and keep this work before the people after we have gone. [324]

"We will discuss this further with you when you come to Boston.

"We will appreciate your taking care of the above check as quickly as possible, as it is necessary to advance the money to the New York station before the Broadcasts begin.

"With all Our Love and Blessings, and looking forward to seeing you at the close of the class here, we are

"Ever in the Light,

"THE BALLARDS,

"By ....."

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 160,

a letter bearing the signature of Mrs. Ballard, was received in evidence and reads as follows:

"Sir Frances Drake Hotel,
"San Francisco, Calif.,
"January 26, 1938.

"Mr. Ted Dahl,
"Allied Adv. Agency, Inc.,
"553 South Western Ave.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"We wired you this morning regarding the list of New Records for we want this to go in the Feb. Issue of the Magazine and the time limit is short for us to get it in; however, if you send it to us today we can yet get it in I feel sure.

"Also; will you kindly keep behind the Cleveland and Washington personal Broadcasting time and let me have this at the earliest possible moment, especially the Cleveland, as it will soon be necessary to get the [325] Announcements printed; also furnish Cleveland with the Information for the Radio folders. We have a little more time for Washington, but will appreciate this information for both cities as early as possible.

"Recently we had a letter from a student in Washington, D. C. asking for information re-

(Testimony of Ted Dahl.)

garding the cost of Broadcasts—transcriptions in Washington D. C. She is one who is interested in putting on some programs, paying for them personally, but she does not want to be known in the matter; therefore, does not want to work through the Bresslers.

"She did not give us any idea of how much money she has, but if you will give us the Station cost of the previous broadcasts in Washington, we will send it to her and tell her if she is interested to send us the money and we will arrange through you to put these Programs on. Not knowing the cost she did not know whether the amount she has would be worth while.

"Will you send us this information at once and we will then write her and see if this is not something we can get started.

"We just had a long talk with Mrs. Fowler of Seattle, who is here for the Class and there seems to have been some difficulty in getting the Records in time and they have had to repeat the old ones so many times; however, she states they now have a supply and she feels it will be eliminated. If you are coming up to the Class here, we will see that you meet her and doubtless much can be straightened out.

"We are particularly anxious to have the list of the Records as to how they have been made up, for we are having inquiries and of course

(Testimony of Ted Dahl.)

cannot give [326] intelligent information, until we know how they are arranged as to numbers.

"With our kindest regards, we are

"Sincerely yours,

"THE BALLARDS

"By MRS. G. W. BALLARD"

GOVERNMENT'S EXHIBIT 161

was received in evidence. It was stipulated that the letter bore the signature of Mrs. Ballard. Said letter reads as follows:

"Sir Francis Drake Hotel
"San Francisco, California
"January 31, 1938

"Dear Mr. Dahl:

"* * *

"Regarding the Detroit situation. The only money we have ever received for Transcriptions is that sent us by you as per your letter of Oct. 13th to New York City you enclosed $20.00; also on Nov. 15th to W. P. Beach you sent us $10.00.

"We note you have written Isabella Thornton regarding this and if you don't get a satisfactory reply, please give us a statement of the amount due for Station time and Transcriptions and we will take it up with her.

"The Law of this work is that all students should call the Presence into action to supply

(Testimony of Ted Dahl.)

the necessary money to carry on this work, and we have never allowed credit at any time. We ask that in the future you hold the students to this requirement, for if they are not doing this, then they are not making the application and the work cannot continue in that field. Not having any way of checking these things ourselves we had no idea this situation existed. Kindly let us know the outcome. [327]

"Regarding Kansas City, we have received the following payments for Transcriptions; some have been direct, but our records do not show whether any came through your office or not; however, the deposits were as follows:

"Nov. 8	20.00
"Dec. 27	20.00
"Dec. 27	40.00
"Jan. 17	20.00
"Jan. 29	20.00

"In talking with Mrs. Carter yesterday she stated they were up to date with their payments. Perhaps you were not aware of these payments made direct is the reason for your saying Kansas City was behind.

"* * *

"THE BALLARDS

"By MRS. G. W. BALLARD."

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 162

was received in evidence. It was stipulated that the letter bore the signature of Mrs. Ballard. Said letter reads in part as follows:

"Belmont Plaza Hotel,
"New York, N. Y.
"May 22, 1938.

"Mr. Ted Dahl,
"Allied Adv. Agency, Inc.,
"553 So. Western Ave.,
"Los Angeles, Calif.

In re: Chicago Broadcasts

Dear Mr. Dahl:

"* * *

"Will you kindly keep us informed on the Kansas City situation? We feel that it is not right that they are in ar*reras* either in the Station time or the Transcriptions. [328] The last transcription we have received payment for was March 27th. This is getting too far in arears and we ask that you keep us closely informed regarding this. While they are responsible and all that, still if they are not calling the Presence into action sufficiently to bring forth the funds to take care of this without it running behind, then something must be done about it.

"Regarding the *the* making of new Transcriptions before the Shrine Class. The way

(Testimony of Ted Dahl.)

my work is going I feel sure I can have sufficient Broadcasts completed to record two full days. Therefore, will you make arrangements, if possible, for Monday the 27th and Tuesday the 28th of June for these recordings. This will give me a little time after reaching Los Angeles to complete any manuscript I might not get finished enroute.

"We have the new song book in the hands of the printer and the "ASCENDED MASTER LIGHT" the next book is all ready except final proofing for the Printers. Both of these will have to be proffed when they come from the Printers and another month's Magazine, to get to Sindelars, but I still feel I can write another eight or Ten Transcriptions before reaching Los Angeles. Therefore, go ahead and secure the time and make all arrangements for those two days.

"* * *

"Eternally in the Light,

"THE BALLARDS

"By MRS. G. W. BALLARD"

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 163

was received in evidence, and reads as follows:

"Biltmore Hotel,
"Los Angeles, Calif. [329]
"August 12, 1938

"Mrs. Florence Demorest,
"5473 Kimbark Ave.,
"Chicago, Illinois.
"Beloved One of the Light.

"Your letter of August 11th just received giving further details of your investigation of the Radio Work in Chicago.

"We regret very much that you have not followed the instructions in our letter to you of last Sunday wherein we asked you to hold everything in abeyance until Mr. Dahl came to Chicago; for all Radio arrangements must come through Mr. Dahl who is Saint Germain's representative. Your going ahead and making inquiries concerning rates etc. is not in accordance with our wishes; for it will make it very difficult for Mr. Dahl to do that which he wishes to do in Chicago.

"We wish it thoroughly understood that all money coming in for these Broadcasts, transcriptions or personal broadcasts must be turned over to us, either that collected from the students or any personal gifts from Miss Delfosse or other individuals. We then take care

(Testimony of Ted Dahl.)

of all payments to the Station and have a record of the entire transaction, which we must have on our books.

"Here in Los Angeles the different Groups collected their money and turned it over to us and we took care of all the disbursements and have a complete record of every cent received and disbursed—this we must have for our Auditors. Any other method of doing this will not be satisfactory to either Saint Germain or us.

"* * *

"THE BALLARDS." [330]

The signature on said letter was typewritten.

The Witness: I have never had any conversation with Saint Germain. To my knowledge I was never appointed Saint Germain's representative.

GOVERNMENT'S EXHIBIT 164

was received in evidence. It was stipulated the letter bore the signature of Betty Mundy. Said letter reads as follows:

"Lake Merritt Hotel,
"Oakland, Calif.,
"August 21, 1938.

"Mr. Ted Dahl,
"Los Angeles, Calif.,

"Dear Mr. Dahl:

"Since writing you this afternoon we have had another letter from Mrs. Fowler, who it

(Testimony of Ted Dahl.)

seems had made a personal contact with Station KOL and received the following proposition for the 7-day personal Broadcast: To broadcast either before 5 p. m. or after 10:00 p. m. as this is the only time available.

"Mrs. Ballard says neither of these times are satisfactory and under the circumstances to disregard the 7-day personal Broadcast.

"Mrs. Fowler also took up the matter of Broadcasting from the class each afternoon and received a price of $108.00 for the ten days. She received this in writing, and we are enclosing copy of that letter for your information.

"Now Mrs. Ballard is writing Mrs. Fowler that she will be glad to Broadcast the Class each afternoon at 3 P. M., but the arrangements with the Station must come through you—you are our agent, and it is Saint Germain's wish that you make all arrangements with Stations.

[331]

"Mrs. Fowler claims she has gotten a much better price than you quoted and that to date they only have $124.00 for all Broadcasts, but they feel by the time we get there they can cover it.

"Will you please get in touch with Mrs. Fowler and Station KOL and see what you can do regarding the Class afternoon Broadcasts. It is a rather mixed-up affair as it stands, but

(Testimony of Ted Dahl.)

we are making it plain to her that it must come through you; as you surely can get as good price as they individually can. Kindly send your letter Air Mail, as she says they come regular mail and it takes five days to get there, she not receiving your letter mailed on the 9th until the 13th.

"Please see what you can do regarding this and let us know. I trust I have made this clear. I just returned from a Meeting where we had a wonderful dictation. It is quite late, but I am sending this Air Mail Special and you should have it tomorrow morning early. Please get after this right away.

We will write you further regarding this if we get any information from Seattle, but believe it will not be turned over to you. It seems impossible to make the students understand they must deal through you and not direct with the Stations, but perhaps when we disregard their arrangements and turn it over to you once or twice they will find we mean business.

"All Love and Blessings,

"Sincerely in the Light,

"THE BALLARDS

"By BETTY O. MUNDY"

The Witness: I think Mrs. Fowler was a group leader (the Mrs. Fowler referred to in that letter),

(Testimony of Ted Dahl.)

but I don't know [332] what the situation that is referred to is.

GOVERNMENT'S EXHIBIT 165

was received in evidence. It was stipulated that it was signed by Mrs. Ballard. Said letter reads as follows:

"Shirley Savoy Hotel,
"Denver, Colo.,
"June 10, 1938.

"Mr. Ted Dahl,
Allied Adv. Agency,
553 So. Western Ave.,
Los Angeles, Calif.

In re: New York Broadcasts

"Dear Mr. Dahl:

"Answering your letter of June 9th regarding the matter of commissions to be paid you on the New York broadcasts we prefer to go into this entire situation with you in person rather than trying to explain it by writing. It is for this reason we have not written you more fully. So much happened in a few short days and we were so occupied that it was utterly impossible to sit down and go into detail regarding all that was happening. However, I am sure you will be happy with us in the way things are expanding and we want you to know we have not forgotten you and your splendid

(Testimony of Ted Dahl.)

work. It has rather been lack of time for the 13-day class there was strenuous.

"For your information we might state when we went to the hall the day before class they would not let the boys enter as there was a fur strike on and Union Headquarters were in the building. We finally gained access to the Theatre, but the first three days had to partition the lobby off as there were hundreds of strikers milling in and out. This all had to be handled, peace maintained, but on the third day the thing broke and the strike ended [333] through the decrees that went up. This is only a small part of what we had to handle in that city; for you know it is the seat of communism.

"Mrs. Fisher was equally busy, for the entire responsibility of the New York Groups rested upon her shoulders. She did tell us she had returned the Transcriptions, for she had not ordered them and had no intention of continuing after their contract run out, and she was quite upset at receiving a bill for further programs. We soothed her ruffled feathers and asked that she just let it rest and we would see how it worked out. In the meantime Mr. Calman we found had not returned the Transcriptions, so they were the ones they used following our class.

"I am sure Mrs. Fisher had no intention of disregarding you in the matter. It is just one

(Testimony of Ted Dahl.)

of those times when things happened so fast in the midst of so much to be handled that there was no time for correspondence.

"This entire thing can be satisfactorily explained when I see you personally, and as I am now in the midst of page-proofs for the new book which must be off the Press for the Shrine Class, I am going to ask that you hold everything in abeyance until I see you personally and go into detail regarding all that has happened while in the East.

"We appreciate your splendid work and all you have done, and if you have not been *kept* fully informed the fault is rather ours, but we have done the very best we could under the circumstances; for the work has been so terrific but the accomplishment so wonderful that it makes up for the extra strain and loss of hours of sleep.

"Our Love and Blessings enfold you and yours, and we will soon see you in Los Angeles.

[334]

"Sincerely yours,

"THE BALLARDS

"By MRS. G. W. BALLARD"

GOVERNMENT'S EXHIBIT 166.

a letter with the signature of "The Ballards" and an enclosure, was received in evidence, and reads as follows:

(Testimony of Ted Dahl.)

"Shirley Savoy Hotel,
"Denver, Colo,
"June 11, 1938.

"Mr. Ted Dahl,
"Allied Adv. Agency, Inc.,
"553 So. Western Ave.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"* * *

"Regarding the Arizona network which you wrote us about. We did not reply to this, for we wanted to take it up with you in person, and there is nothing we could do at this end until we had gone into it a little further. Also the Texas situation; if you will hold these in abeyance until we return to Los Angeles we can then check up and see what can be done. The idea of a State hook-up with the different cities assisting in the cost looks like a very marvelous proposition for that would give a good Station to broadcast over which would reach many more people. We will discuss it further with you when we are in Los Angeles.

"There are many things which we can check over with you. The enclosed copy of letter to Miss Delfosse with statement attached is one thing, for we confess this has been quite a proposition, but we believe from now on things will be different, as we are going to insist that she stay [335] out of the picture so far as securing Station time is concerned. We know

(Testimony of Ted Dahl.)

she will do this when she realizes it is Saint Germain's wish.

"* * *

"THE BALLARDS
"By Mrs. G. W. BALLARD"

Attached thereto is a letter to Miss Cecelia C. Delfosse, Chicago, Illinois. It is also from the Shirley Savoy Hotel, Denver, Colorado, same date:

"In re: Chicago Broadcasting

"Blessed One of the Light:

"Your letter of June 4th regarding time, dates, etc. of the Chicago Broadcasts has been received. I have had Mrs. Mundy check this with her records and we are enclosing herewith a statement as the account stands as nearly as we are able to check up.

"* * *

"Saint Germain has requested that in the future Mr. Dahl be allowed to secure all station time, in Chicago, as well as elsewhere, so this can be made uniform with other cities. We feel this will work out more satisfactorily to everybody concerned, for the constant switching of time and stations is not producing the best results from the Inner standpoint. When once you have established a focus and gained your momentum over one station and have your listeners, then to switch stations or even time is disturbing the whole picture, so far

(Testimony of Ted Dahl.)

as the Inner action of the Law is concerned; and you cannot expect the best results.

"We do so appreciate your sincere desire and unselfish effort in making it possible for Chicago to have these broadcasts, and we know your intent is the [336] best in the world; but since Saint Germain has requested it, we also know you will turn the handling of the securing of station time, etc. over to Mr. Dahl, in the future. If Mr. Dahl cannot secure the proper time he can then contact you personally.

"* * *

"THE BALLARDS

"By.....

"P. S. Will you check the enclosed statement and let me know whether or not it is right?

"EWB"

Then the statement enclosed is for Station WIND, Sunday, 9:30 a.m., ended program of 24 weeks, $240.

Then another amount, $220.

Another amount, $130.

Another amount, $80.

Another amount, $130.

Total, $800.

Then the following page, added to that total is another amount of $260, another amount of $520, and a statement:

(Testimony of Ted Dahl.)

"Total amount of cost of Records for Broadcasts from Oct. 31st, 1937 to Nov. 7th, 1938—end of 26 week Broadcast $1,580.00."

Then follows: "Received from C. C. Delfosse on account of records to date, $745.00."

Then the typewritten signature "Saint Germain Press."

GOVERNMENT'S EXHIBIT 167,

bearing the signature of "Betty O. Mundy", was received in evidence, and reads as follows:

"Gowman Hotel,
"Seattle, Wash.,
"September 19, 1938.

"Mr. Ted Dahl, [337]
"Allied Adv. Agency, Inc.,
"553 South Western Ave.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"I have delayed answering your request for shipping or billing instructions for the Records until those shipped here arrived and we could check them to see just what had been shipped.

Please give the Chicago Office a list of all Records shipped here, and those delivered in Los Angeles, and when you do this kindly make a duplicate copy for me, so I will know just what is or has been done.

"Ordinarily we do not carry records with us

(Testimony of Ted Dahl.)

and the stock in Los Angeles belongs to the Saint Germain Press, but because of these new Records we decided it would be best to have some of them in Oakland and here; so I sent the order to you and a duplicate to Chicago, for this must show on their books, for it is their stock. Therefore, the biggest thing I have to do now is get the thing straightened out with Chicago.

"If you will either bill them or send them a letter giving the exact number of those you have already shipped here; and any others that may be coming today; then give them a list of those delivered in Los Angeles, I will figure it out and send in an additional order for the surplus we have received. I have not had time to think it out, as I am in the midst of manuscript for the next Magazine, but will try and get to it tomorrow.

"I am taking it for granted that you will deliver the full sets of seven (7) each to Don, Dr. Brown and Cecil Stokes; as well as the set of three (3) #103, 104, [338] 105, on my Order #90 which were to be delivered to Catherine Rogers at her home. Also that you have sent fifty (50) of each Nos. 106, 107, and 108 to the Chicago Office.

"When these have all been taken care of then my orders will have been taken care of.

"Will you investigate and see whether or not.

(Testimony of Ted Dahl.)

your Invoice #3042 for Express charges $5.01 has been paid or not? I do not have a record of it having been, yet am not sure. This was dated August 22nd.

"Your request for Mrs. Carol Ralph's address in Bridgeport, Conn. we do not have, for she is not a Group Leader, at least not on our list, so I guess you will have to get it from Harold Hall.

"We are in receipt of an inquiry from Mrs. G. O. Ash, 1903 N. Cheyenne, Tulsa, Oklahoma, asking the price of Records, saying she was trying to arrange for programs on the Radio. I have written her today telling her she must get in touch with you, so if you hear from her you will know who she is. We know nothing of her, as she is not listed as a Group Leader, so all we can do is await further development. We will soon know more about her activities, I hope and if she is not desirable we will let you know.

"Our Class here is marvelous. It did not seem possible it could surpass Oakland, but it is just as much step-up as that was over Los Angeles; so it goes on constantly.

"We are holding up writing Mr. Calman, until we hear further from you; therefore, will appreciate your early reply on that matter.

"Kindly mail the bill for the 200 Minute Men; 150 [339] Rainbow Rays and 150 Rose of Light to us and we will mail you check.

(Testimony of Ted Dahl.)

"With our Love and Blessings, and all the Light and Radiance I can extend from this marvelous class, I am

"Sincerely in the Light,

"THE BALLARDS

"By BETTY O. MUNDY

"P. S. Thanks for recent checks enclosed."

GOVERNMENT'S EXHIBIT 168,

a letter bearing Mrs. Ballard's signature, was received in evidence, and reads as follows:

"Gowman Hotel,
"Seattle, Wash.,
"September 20, 1938.

"Mr. Ted Dahl
"Allied Adv. Agency, Inc.,
"553 South Western Ave.,
"Los Angeles, Calif.

Transcriptions—Canada

"Dear Mr. Dahl:

"We have from time to time had inquiries regarding securing our Transcriptions to be used on the Radio in Canada, and are just in receipt of a Group Leader in Montreal.

"So far Saint Germain has not given permission to use these Transcriptions in Canada, but we shall take it up with Him the next time he comes and see what His wishes are at this time. In the meantime, will you investigate

(Testimony of Ted Dahl.)

and let us know how the matter could be handled. What are the requirements with the Canadian government?

"There might be a few of the Transcriptions we could use, but those that mention the United States we feel quite sure would not be usable; therefore, we might [340] run up against a situation we could not supply records for until special ones were made.

"Will you kindly see what information you can get regarding the using of Transcriptions in Canada, provided the context is satisfactory? We will appreciate knowing what we could do, then when we take it up with Saint Germain we can more intelligently discuss it and know where we stand.

"We will thank you for your reply to this at your convenience.

"Thanking you, and with all Love, Light and Blessings, we are

"Eternally in the Light,

"THE BALLARDS

"By MRS. G. W. BALLARD."

The Witness: I was not a member of the I Am organization during my association with them.

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 169,

a letter bearing the typewritten signature "Mr. & Mrs. G. W. Ballard", was received in evidence and reads as follows:

"Palmer House,
"Chicago, Ills.,
"October 4, 1938.

"Commissioner of Customs,
"Ottawa, Canada.

"Dear Sir:

"We are enclosing herewith one of our Class Announcements; also a radio announcement, showing the work Mrs. Ballard and myself are doing throughout the United States.

"For the past year and a half we have had our Radio Transcriptions in the important cities throughout the United States, *we* well as having our lectures Broadcast [341] from the Halls where we speak.

"Our student group numbers approximately three-quarters of a million, of the very highest type people in our country, as well as Canada, where we have a number of Study Groups. Recently we have received numerous calls for our Radio Transcriptions to be put on in Canada, in order that this work might become better known throughout your country.

"This work is purely educational, non political and non-sectarian. There are no money

(Testimony of Ted Dahl.)

schemes in nor back of it and is supported entirely through the sale of our books and Love Gifts from grateful students. Our Radio Transcriptions which contain the fundamentals of this teaching are not for sale, but leased to the Student Groups and returned to us after once being used.

"These Radio Transcriptions do not carry any mention of money; nor have we ever asked for a dime in this work; neither have we asked for a student list or solicited students. The enclosed folders are the only advertising we have ever done, as our chief concern is for the protection of America and the prevention of war entering our borders.

"We are writing you to ask what the Canadian regulations are for accepting American Radio Transcriptions into your country, and we will appreciate any information you are able to give us, as the demand is growing more all the time for this Instruction in Canada. Our desire is to ship these Transcriptions to one of the Student Groups in Canada and they in turn ship it to other Groups there, before being returned to us. They could be returned through the same port as they are entered.

"Recently our agent who handles these Transcriptions [342] for us, Mr. Ted Dahl, 553 South Western Ave., Los Angeles, Calif., was in Chicago and we called at the Canadian Cus-

(Testimony of Ted Dahl.)

toms Office here to see what we could find out regarding this matter. Your agent here suggested we write you personally; also send you one of the Transcriptions for your inspection. We have instructed Mr. Dahl to send this Record, which you can have played from any Radio Station.

"We shall be very glad to receive what information you can give us on this matter, and will furnish you with any further information you might desire.

"Thanking you for your reply regarding the method of procedure in such matters, and with our very kind regards and Blessings, we are

"Sincerely yours,

"MR. & MRS. G. W. BALLARD

"By ....."

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 170,

a letter bearing the signature of "Betty O. Mundy", was received in evidence and reads as follows:

"Gowman Hotel,
"Seattle, Wash.,
"September 22, 1938.

"Mr. Ted Dahl,
"Allied Adv. Agency,
"553 So. Western Ave.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"* * *

"Regarding the Oakland situation, please be at rest about that and keep calling the Presence into action to produce Perfection there. They had a pretty big pull [343] financially with the recent class and may be trying to get their breath and put it up to the students before giving you an answer. We do not feel it wise to interfere, but will continue to call the Presence to produce Perfection and open the way for this to be done.

"* * *

"All our Love and Blessings, and we call the 'Mighty I AM Presence' to enfold you in Its Mantle of Light, Love, Peace Happiness and Prosperity, to keep your pathway illumined

(Testimony of Ted Dahl.)

and hold you eternally victorious in the Light.

"Sincerely in the Light,

"THE BALLARDS

"By BETTY O. MUNDY

"P. S. Mrs. Ballard says she would not be interested in 10" Records—so disregard that. We will doubtless order in lots of 500 each hereafter and save the extra cost.

BOM"

GOVERNMENT'S EXHIBIT 171,

a letter bearing the signature of Mrs. Ballard, was received in evidence and reads as follows:

"Washington, D. C.

"November 10, 1938

"Mr. Ted Dahl,

"Allied Adv. Agency, Inc.,

"553 South Western Ave.,

"Los Angeles, Calif.

"Dear Mr. Dahl:

"Saint Germain was with us in person for sometime this morning and among other things he spoke about the Class Broadcasts in the future.

"* * *[344]

"Sincerely in the Light

"THE BALLARDS

"By MRS. G. W. BALLARD"

(Testimony of Ted Dahl.)

GOVERNMENT'S EXHIBIT 172,

a letter bearing the signature of Mrs. Ballard, was received in evidence and read as follows:

"Lake Merritt Hotel,
"Oakland, Calif.,
"February 18, 1939.

"Mr. Ted Dahl,
"4354 W. Third St.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"* * *

"We are enclosing herewith copy of letter today sent to the Canadian students and trust that this brings forth fruit ere long. We feel quite confident that you can look for an immediate response from Mr. James P. Wood, Guy Block Montrael, Quebec; also from Mrs. Margaret J. Chellis, Dick Building, Vancouver, B. C.

"We wish to call your attention to the fact that we do not know personally these Canadian Group Leaders, so we sent a letter to all of them; therefore, you may find letters of inquiry coming from two or three persons in some cities. We will have to be guided by the contents of their letter as to whether or not they

(Testimony of Ted Dahl.)

are responsible individuals to handle our Broadcasting there.

"* * *

"Yours in the Light,

"THE BALLARDS

"By MRS. G. W. BALLARD [345]

(Enclosure)

"Lake Merritt Hotel,

"Oakland, Calif., Feb. 17, 1939.

"Beloved Students of Canada:

"These Broadcasts are usually sponsored by the local Reading Room or some Group Leader who has proved his or her strength and loyalty to the Light. It has been Saint Germain's request from the beginning of this Radio work that the expenses of all Broadcasting be carried by the Student Body; for after the work has been brought to this point and the students have received the benefit and blessings through their application of this Law; then they should be willing to take the responsibility and make the call that the rest of humanity may have the opportunity to know of this Ascended Master teaching; and there is no better way to do this than through the Radio Broadcasts. Through the student's willingness to give this assistance to their fellowman they in turn gain their own freedom.

(Testimony of Ted Dahl.)

"As you know we never allow funds to be solicited in any way, but through the students making dynamic systematic calls with sufficient intensity and determination to the 'Mighty I AM Presence' and the Ascended Ones, for the release of the needed money for this purpose; they soon gain sufficient momentum through their calls to bring it forth into outer manifestation. In most instances, they have started out with one Broadcast each week and gradually increase it to five and six. We know this can be done, for it has been proven in every city where our Transcriptions have gone on the air.

"* * *

"Mr. Dahl is in a position to give you all information [346] needed and can secure for you the best time and lowest rates; and we cannot guarantee that we could handle the Radio activities in Canada unless Mr. Dahl is allowed to handle it exclusively. He receives his small commission from the radio station direct and it does not add anything to the cost of the Broadcasts. Mr. Dahl is a good 'I AM' Student and has the interest of the work at heart more than the small commission he receives; but by working with him we can give you the best service, since we are travelling all the time and he knows our wishes in the matter.

"We have written the Commissioner of Customs in Ottawa and find it will cost us $2.50 per record to get them into Canada; however,

(Testimony of Ted Dahl.)

we hope to arrange for a number of programs there and can use the same record several times and save the extra cost on each record. In order to get the work started and to assist the Students of Canada we will be glad to assume this additional cost; which makes everything uniform with that of the United States so far as the students are concerned.

"We assure you of our desire to co-operate with the Canadian Students in every way possible and to give to the people of Canada this Ascended Master Instruction; which we know from experience we have had with these Broadcasts that they do reach thousands who otherwise would never hear of it. It is therefore, the greatest opportunity to extend this blessing to others and expand the Light within your country.

"We extend to you our heart's Love and Blessings, and assure you our hearts reach out to our sister country, Canada; for when we say 'America,' it naturally includes [347] Canada, Central and South America, for the Americas are really ONE in thought and feeling; and we wish you would always make this plain in your Study Groups.

"We call to the 'Mighty I Am Presence,' Saint Germain and the Other Ascended Ones to bless you eternally, and bring about the Per-

(Testimony of Ted Dahl.)

fect Plan for everybody in this Service of the Light.

"Lovingly in the Service of the Light,

"MR. AND MRS. G. W. BALLARD.

"By MR. AND MRS. G. W. BALLARD."

GOVERNMENT'S EXHIBIT 173,

a letter signed by Betty O. Mundy, was admitted in evidence, and reads as follows:

"Buckingham Hotel,
"Minneapolis, Minn.,
"Sept. 9, 1939.

"Mr. Ted Dahl
"4354 W. Third St.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"* * *

"Just as soon as I can get to it I have an inquiry from a student in Yorkton, Sask. Canada who wants to put on some Transcriptions, but it is one of those things that will have to be handled with a strong hand, as she has already interviewed the Station and thought she could handle it herself, take records back with her and use them over and over. I dis-illusioned her regarding this and told her everything was handled through our Agent and absolutely no personal contacting the Stations. It seems she is well known there and thinks she can get

(Testimony of Ted Dahl.)

better time than anyone else. Therefore, I will either write you fully as to what to do, or see you if you are [348] soon coming to Chicago. There is no particular hurry as she is here at the class and when I explained to her that she had to pay for the Records she rather crawfished, so whether it means anything or not I do not know, but I am told she can well afford to put on any number, so we will have to look into the matter. * * *

"Eternally in the Light,

"THE BALLARDS

"By BETTY O. MUNDY

"P.S. The class here has come into line and now that the communists and Nazis know they can't do anything everything is wonderful, but the first two days were like trying to bore through steel with a pen-knife; but the Light of God never fails and it finally penetrated the density, but it was the worst we have encountered in a long time. Of course this is a communistic center.

BOM"

GOVERNMENT'S EXHIBIT 174.

a letter bearing the typewritten signature "Mr. & Mrs. G. W. Ballard", was received in evidence and reads as follows:

(Testimony of Ted Dahl.)

"Los Angeles, Calif.
"January 3, 1939.

"Mrs. Nanette Ray,
"2310 West B St.,
"Torrington, Wyo.

In re: Radio Transcriptions

"Beloved one of the Light:

"Your letters of Dec. 22nd and 28th to the Saint Germain Press, Chicago have been forwarded to us for reply, but because of the rush at the Holiday Season and the Shrine Class it has been impossible to reply sooner.

"It has been Saint Germain's request from the [349] beginning that all Radio Broadcasting be the responsibility of the Students, so far as financing them is concerned; for only through the students desire and effort to give this Instruction to others of mankind do they gain their own freedom.

"The cost of the Transcriptions are $20.00 each. This includes one Record containing two 15-minute Broadcasts. The Station time varies according to its power and activities. * * *

"We appreciate your inquiry, and know if the students in Wyo. will sponsor these Broadcasts that they will not only themselves receive a great blessing, but render a transcendent blessing to the rest of mankind. There is no greater opportunity for service at this time

(Testimony of Ted Dahl.)

than through getting these Transcriptions before mankind. The need is very great, and with the consciousness of mankind reaching out at this time for something to give them release and relief, there never was a more opportune time.

"* * *

"Yours very sincerely,

"MR. & MRS. G. W. BALLARD

"By ....."

GOVERNMENT'S EXHIBIT 175,

a letter bearing the signature "The Ballards by Betty O. Mundy", was received in evidence and reads as follows:

"Hotel Washington
"Washington, D. C.
"June 3, 1939.

"Mr. Ted Dahl
"4354 W. Third St.,
"Los Angeles, Calif. [350]

"Dear Mr. Dahl:

"Several of the Miami, Florida students are here for the Washington class and they have been discussing with me the continuation of the Miami Transcriptions. Of course it is the same, old story of personalities, etc., yet nobody wants to assume the responsibility of signing the contract. Finally a Mrs. Harold

(Testimony of Ted Dahl.)

G. R. Wall (Minnie) showed me a contract she had from the Miami Beach Station for the coming year and said she was going to sign it. I told her I had talked to Miss Fisher who stated she had written you to take care of the contract.

"This morning I have a special delivery letter from Mrs. Wall stating she had signed the contract and returned it to the Miami Beach Station and when I wrote you to be sure and make it clear that she alone would sign the contract and nobody else was to be considered. She is a woman of means and I think has handled practically all the Radio work down there so far, so she will see to it that it is taken care of.

"I suggest if she starts writing you that you use your own judgment about answering the letters, for she writes about every other day—about nothing. She don't seem to have anything to do and takes it out writing letters. I have seen her most *ever* day at the class and also receive letters in between times, this morning a special delivery before I was out of my room. She is a lovely soul, but very erratic.

"I feel you should know this so you won't spend all your time trying to write her letters. I am sure you have taken care of whatever is needed to be done and we can discuss it further when I return to Los Angeles.

(Testimony of Ted Dahl.)

"I shall want to check up with you on all Radio [351] Activities, as there are many I have not had the dates and time on, so will be glad to get this straightened out while there. The Transcription accounts are very splendid and with the exception of Kansas City I believe are paid up to date, and God bless Kansas City they seem to be coming to light.

"All Love and Blessings, and will see you ere many days.

"Yours very truly,

"THE BALLARDS

"By BETTY O. MUNDY".

GOVERNMENT'S EXHIBIT 176,

a letter signed "The Ballards by Mrs. G. W. Ballard", was received in evidence and reads as follows:

"Hotel Washington
"Washington, D. C.
"Nov. 6, 1939.

"Mr. Ted Dahl,
"4354 W. Third St.,
"Los Angeles, Calif.

"Dear Mr. Dahl:

"We call on the Law of Forgiveness for not writing you sooner of our change in address, but with the rush of packing and unpacking and moving from place to place it is difficult to keep up with what we do and do not do.

(Testimony of Ted Dahl.)

"The facts of the case are this: Saint Germain found after we arrived in Philadelphia that those vicious newspaper reporters were planning even greater viciousness to attempt to interfere with and stop our Philadelphia class, and we also found the Hall we had engaged had changed hands and we had no assurance of any kind of protection or even cooperation, but rather a joining [352] with the newspapers to assist them. Therefore, after going into the matter far enough Saint Germain advised we come here and hold the Philadelphia Class as well as the Washington one as scheduled.

"Some quick decisions and moves were necessary and of course coming three weeks ahead of our schedule to this Hotel we are just now getting settled down to business.

"Yesterday we started an 8-day closed class for the Philadelphia students and out-of-town guests who had come for that class; also the 100% Groups here. It looks like the classes in the future will be closed—we are not yet sure about the Shrine Class, but we know the one here beginning on the 24th will be. Students only are admitted and then only by signed card. This we find is going to be a great help in weeding out the undesirables, and if one gets in it is quite easy to withdraw their card of admission.

"Yesterday's class surpassed anything we

(Testimony of Ted Dahl.)

have known thus far and the Radiance released was simply wonderful, which proves these closed classes will be even a greater power than where there are greater numbers, for those who are not informed of the work and those who are vicious are of no assistance even tho they swell the numbers.

"We will be here for about four weeks yet until the close of this class, then I will go into Chicago for a few days before coming West but will keep you informed about making transcriptions, etc.

"In the meantime will you please write all the Radio Stations where Transcriptions are being used and withdraw the names of Reading Rooms, or Group addresses and make no reference to where people can contact the [353] work. This is Saint Germain's request and if students object you can either give them that reply or refer them to us, which perhaps would be better. Saint Germain says for some reason the Transcriptions are attracting the wrong class of people and here in the east the colored people are rushing in, while those who should be attracted do not come. With the closed classes and closed Groups in the future they could not get in anyhow until they had attended several beginners Groups and been prepared for the

(Testimony of Ted Dahl.)

larger classes, so the announcement must be changed. Kindly do this at once.

"Our Love and Blessings to you always.

"Sincerely in the Light,

"THE BALLARDS

"By MRS. G. W. BALLARD"

GOVERNMENT'S EXHIBIT 177

was received in evidence and reads as follows:

"Biltmore Hotel
"Los Angeles, California,
"February 22, 1940

"Beloved Group Leaders, 'I Am' Students and friends of America:

"It is my great privilege to express to you the Love and Blessings of our Beloved Saint Germain, our Blessed Daddy Ballard, Donald and myself for your faithful service to the Light. I take this opportunity to express my deep Love, gratitude and appreciation for the many letters, following our Beloved Daddy's Ascension, pledged renewed loyalty and determination to make greater effort toward controlling the human; and to give the obedience required to make the Ascension as He has done.

"Daddy's Great Love and devotion to the student [354] body while here is now amplified a million fold and is a Raising Power to give assistance to those who will harmonize them-

(Testimony of Ted Dahl.)

selves and make the call to Him. Having so recently been in the physical form and in such close contact with the students, He can do for them what Others could not. Therefore, instead of feeling it is a loss of His physical Presence, all have really gained that which only time can prove; so I ask all to be happy and give to our Blessed Daddy that which He requires to give you His Full Assistance and Blessing.

"* * *

"America is in greater danger today than we dare say and needs all the assistance you can give thru your dynamic calls for that which must be done; so give all the energy of your being into those Decrees and do not let up for one moment. Be fearless, be dauntless, be determined and do not let one thought or feeling go forth that might be that which charges the energy of your Life Stream with destruction. The 'I Am' Students must stand firm and strong against suggestions and feelings of the vicious destructive forces; and be alert in detecting the deceit and treachery which operates everywhere. They must stand together like one solid diamond and not let one word of criticism, condemnation, jealousy or other destructive quality express thru them toward each other. Those are the wedges that drive into the Wall of Protection and give the sinister forces that which they need to continue their nefarious work.

(Testimony of Ted Dahl.)

"Call your 'Mighty I Am Presence' into action to charge you with Ascended Master Discrimination, Discretion, God-control and Directing Intelligence and keep it sustained; also see that you never take on thoughts, feelings [355] or suggestions from anybody but God, good, and only the Ascended Masters' Consciousness. Watch your feelings! They are the barometer which tell you how you are qualifying the energy you send forth. Then stand, face and conquer! America needs your help today more than ever before. The destructive forces are determined and using every means to drag America into war; therefore, give all the assistance you know how for her protection now. You will be well repaid for every ounce of energy set forth, for I assure you the 'I Am' Students are the Only ones who can render the assistance needed at this time. Every human being in America needs to call to the 'Mighty I Am Presence' and the Ascended Masters for protection to America now.

"* * *

"I take this opportunity of calling the student's attention to a number of things which need special attention and a greater interest. One of the most urgent needs for America are the Radio Transcriptions. Since our Beloved Saint Germain asked that the Transcriptions be placed everywhere possible, because the Class

(Testimony of Ted Dahl.)

Broadcasts have been discontinued for the present, the students should feel the need of seeing the Transcriptions are on the air wherever possible, so more of mankind may have an opportunity of knowing about this Activity and giving these Decrees privately to keep war out of America. Just because a few individuals have been generous and willing to put these Broadcasts on the air is no reason that everyone should not feel his own individual responsibility; for Saint Germain has distinctly said the Radio Broadcasts are the responsibility of the student body. A few localities have done marvels and we bless them for that service, which is beyond anything they [356] can possibly comprehend.

"Just because a Group is small is no excuse. Every human being can make the call for the release of sufficient funds to give this protection for America, because that does go out in the Transcriptions. If you cannot put these Broadcasts on in your own city or state you can assist someone else and in so doing, you will find it amplified and returned to you a million fold. There are always places where the need is great and where Stations are glad to put the Broadcasts on, so we will see that all funds sent in are used where they can bring the greatest help.

"* * *

(Testimony of Ted Dahl.)

"Because of the many requests, it is our great joy and privilege to announce the release of our Beloved Daddy Ballard's Picture in four sizes which all the students can have for contemplation and the tremendous Radiation He is pouring thru them. It is beyond anything we have yet experienced; and we know this will fill a great call among the student body. These pictures may be purchased now from the Saint Germain Press, Chicago, Illinois.

"* * *

"Ever in the Service of the Light,
"MRS. G. W. BALLARD and DONALD"

The Witness: I didn't have anything to do with the charts and flames in action.

Mr. Lazarus read from Government's Exhibit 58, page 35, the February 1940 issue of "The Voice".

GOVERNMENT'S EXHIBIT 178,

an announcement bearing the signature "Mr. & Mrs. G. W. Ballard by Mr. G. W. Ballard," (apparently mimeographed), was received in evidence, and reads as follows: [357]

(Testimony of Ted Dahl.)

"

Name of City
RADIO ANNOUNCEMENT
Mrs. G. W. Ballard
will present, the
Ascended Masters' Instruction
on the
'Mighty I Am Presence'
which is the
Law of Life

Over Station..... ....
Date City

Hours and Subjects to be presented are:

.....

.....

Listen In! Help Save America!

For further Information concerning this Instruction, contact.....
where all Books may also be purchased.

These Broadcasts will be followed by a ten day Class of Instruction by..... at .....All are cordially invited to attend. No charge is made for this Instruction. For further information contact.....
Name

.....
Address

Future Classes to Be Held by Mr. & Mrs. Ballard

(Testimony of Ted Dahl.)

Mr. and Mrs. Ballard welcome all sincere seekers of the Light that they may receive this Ascended Masters' Instruction and Radiation, and through that, do Protective Work for themselves, America, and the World.

Note to Sponsors: [358]

Names of Messengers or Appointed Messengers; names and addresses of Halls, dates and names of one sponsoring Broadcast to be filled in by Local sponsor.

To be printed thin paper. Size 3½ x 5½

MR. & MRS. G. W. BALLARD

By MR. G. W. BALLARD"

Seattle, Wash.

Aug. 16, 1937."

The last page has a list of 10 matters for sale and the prices of each, and then the notation:

"Headquarters for all publications, Saint Germain Press, P. O. Box 1133, Chicago, Ills."

GOVERNMENT'S EXHIBIT 179,

a copy of Radio Broadcast The "Mighty I Am Presence" and the Ascended Masters by Mr. and Mrs. G. W. Ballard, Their Messengers, was admitted in evidence and reads in part as follows:

(Testimony of Ted Dahl.)

"RADIO BROADCAST

"The 'Mighty I Am Presence' and the Ascended Masters

by

Mr. and Mrs. G. W. Ballard, Their Messengers

"* * *

"This is the only way and means by which all problems of human experience can be solved harmoniously and permanently. All other methods of solving problems are but temporary and unsatisfactory. Humanity has been solving problems for thousands of years and yet, it has just as many and is just as discordant to-day s it was millions of years ago—proving that it nas not been living Life according to God's Plan, which is the Law of Perfection of the 'Mighty I Am Presence.'

The Witness: I didn't write that copy. I have seen the document before in our office. It was contained in our file. [359]

Government's Exhibit 180 was received in evidence:

The Witness: This is a copy, a "Station Copy" of an original sent us by Mrs. Ballard and we made copies which were forwarded to radio stations for their approval or their attorneys' approval.

Mr. Lazarus read therefrom.

(Testimony of Ted Dahl.)

Cross Examination

I am 38 years old. I have been in the radio business for about 12 years and in the advertising business since the first part of 1935. All script that is used over the air has to meet the regulations of the Federal Communications Commission. That is the reason why we submitted the script to the station management. The 15 per cent commission that I received did not add to the cost of the broadcast as this is a regularly established commission that all advertising agencies receive. Electrical transcriptions differ from phonograph records in that the transcriptions are used for rebroadcasting and go at a different speed. I supervised the making of the transcriptions and the agency received a profit in the making of the transcriptions. That was added to the cost of the making of the transcription. The same is true as to the records. The rates that we charged the Ballards for the making of the records were regularly established rates. As agent for the Ballards I was always trying to get the best price possible, whether by way of radio time or cost of records. The reason that all calls for records were to come through me was because we wanted only one agency and so as to avoid any price cutting. I kept a record of money paid by the Ballards for all radio time on various stations and maintained these records for income tax purposes. One of the big values of radio advertising as against printing advertisement is that you build up a station audi-

(Testimony of Ted Dahl.)

ence. If the time of broadcast is switched you lose a certain amount of time of your "built-up" audience. Although instructions were given that the radio [360] transcription sent to the various stations should be returned to me, I would say that only about ten per cent actually were returned. That, of course, made it necessary for us to repress the number of transcriptions. The particular group to which these transcriptions were sent was supposed to pay for their own radio time and for the use of the transcriptions. That was supposed to be on a cash basis which is the normal practice in connection with radio. Many of the transcriptions we sent were for audition purposes for which no pay was received. I recall, in respect to a group in Detroit who had had radio time, that they never did pay and Mrs. Ballard paid for them.

Mrs. Ballard never talked to me about engaging in a scheme to defraud and I never engaged in a scheme to defraud by the use of the mails or otherwise.

After we contacted Canadian officials we received permission to broadcast over Canadian radio stations, but for some reason or other we didn't proceed with the broadcasting in Canada. It was my suggestion that all contacts with radio stations should be handled by me in order to avoid confusion. I was not a member of the I Am. I don't know that they even had a membership, but I did read a great deal of their literature and listened to

(Testimony of Ted Dahl.)

their broadcasts. All the radio transcriptions that went on the air at Los Angeles stations were paid for by the Ballards themselves. While our plan was that all payments would be received by me, some people nevertheless sent their payments to the Ballards. In 1938 the plan was changed and all radio cost and time went through the Ballard's books.

Redirect Examination

All the money that was received by us for the radio transcriptions were turned over by us to the Ballards but not the money received for the radio time. After the meetings of the I Am members became closed, I never received a card entitling me to [361] attend. Not every radio station would approve the transcriptions that we sent them. Their reasons were various.

Mr. Lazarus read from Government's Exhibit 47, the March 1939 issue of "The Voice", page 38.

Recross Examination

The Witness: Mostly, those stations were those who didn't take talks, speeches and lectures over the air. I don't recall any that were refused because of the inherent content of the record.

Redirect Examination

At the end of all radio transcriptions that I was in charge of, statements were made as to the various books published by the Saint Germain Press and where they could be obtained.

(Testimony of Ted Dahl.)

Recross Examination

I am not sure that such statement was made at the end of radio transcriptions but I believe in most of them.

DR. W. CURTIS BRIGHAM

was called as a witness in behalf of the Government and testified as follows:

I am a physician and surgeon. I am a graduate of the University of Idaho and I studied in the Los Angeles College of Osteopathic Physicians and Surgeons. I have been admitted to practice for 34 years. I practiced in California. Government's Exhibit 140 is a picture of Mr. Kelly who was a patient of mine. He was a patient in 1934.

Exception No. 66

Over the objection of defendants on the ground that it was immaterial and not tending to prove or disprove any issue in the case and on the further ground of hearsay, and on the further ground that it was in effect an attempt by the Government to impeach its own witness, Mr. Crouse, the witness was permitted to testify.

The Witness: I examined Mr. Kelly in 1934 as a patient. At that time he was suffering from high blood pressure, the general [362] debility that occurs from high blood pressure, and severe toxema. I treated him the last time in November of 1935.

(Testimony of Dr. W. Curtis Brigham.)

After his death, I saw him at his home in Los Angeles. The body was lying on the floor. He was dead at the time. I prepared his death certificate and signed it. In my opinion Mr. Kelly died of coronary thrombus or coronary embolus. In other words, heart disease.

Exception was taken.

Cross Examination

The Witness: In November of 1935 when I last saw Mr. Kelly he was suffering from a pain in his eyes and I referred him to a clinic for treatment. When I saw his dead body it was not any different from any other dead body.

J. H. VAN METER

was recalled as a witness in behalf of the Government and testified as follows:

Direct Examination

In the course of my investigation for the Post Office Department I made a recording of a radio program I heard on February 19, 1941. The voices I heard on the program were of Mrs. E. W. Ballard and Donald Ballard. Likewise, as to an I Am program on February 17, 1941. Both of these came over a local Los Angeles station, either KRKD or KMTR. I have a home recording set in my home. I have made transcriptions from time to time on this

(Testimony of J. H. Van Meter.)

home recording set. These recordings are true representations of the original program.

Exception No. 67

Government's Exhibit 181 was received in evidence over the objection of defendants that no foundation had been laid and on all grounds set out at the time of the offering of previous transcriptions identified by the witness, which by stipulation and order of the court were deemed as being objections without restating. [363]

Exception was allowed.

The Witness: Government's Exhibit 181 is the recording I made on my home set of radio programs of the I Am, one side being of date February 15, 1941, and the other, February 17, 1941.

Exception No. 68

Over the objection of defendants based on the same grounds as the offer of the record in transcription in evidence, which objection was by order of Court not required to be restated, the witness was allowed to play the record.

Exception was allowed.

(The following is a copy of the words played on said record, the witness identifying the voices as indicated.)

"Mrs. Ballard: And we understand that if we will continue to work constantly with every power at our command being called for the mighty activity of light from the ascended mas-

(Testimony of J. H. Van Meter.)

ters' octave in the use of the words 'I Am' and draw forth all of the power required to hold protection while there is yet time until all awaken into the happiness that they can have by giving obedience to the law of life that enables destructive qualities to be interfered with to the degree they are held under control and then ultimately dissolved. So as we give the following decree for the protection of our United States of America, we charge it forth into all the energies that have been charged constructively within our land and we ask you to join in the full almighty power of the protection and divine justice for which we call.

"Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Justice of Light of A thousand Suns! Justice of Light of a Thousand Suns! Descend! [364] Descend! Descend! Descend!

"Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! America Now Descend!

"Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! America Now Command!

(Testimony of J. H. Van Meter.)

"Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Justice of Light of a Thousand Suns! Hold America in Thy Hand and by the full power of the Almighty Cosmic Light of the God Life of this universe place forth such an overwhelming action that none can resist the onrushing almighty Victory and eternal perfection of the cosmic light for the light of God never fails! The light of God never fails! The light of God never fails! And the Mighty I Am Presence is that light.

"Mr. Donald Ballard: The I Am Program has presented Mrs. G. W. Ballard——

"Messenger of the Ascended Master Saint Germain giving the instruction on the great law of life, the Mighty I Am Presence.

"We invite those who are sincerely interested to attend the classes on Sunday afternoon at the Shrine Auditorium at 1:30. It is necessary to be recommended by someone in the activity or give other satisfactory reference.

"For further information concerning this ascended master I Am activity read the books of the Saint Germain—Saint Germain—Saint Germain—the book—the book—the books—

[365]

Exception No. 69

Objection was made that the repetitious matter immediately above was obviously an imperfection

(Testimony of J. H. Van Meter.)

in the transcription made by the witness and the objection was made to the record on the further ground that it was not a true transcription. The foregoing was the transcription made by the witness on the 15th of February, 1941.

(Now follows the other side of the record which was the transcription made on February 17, 1941):

"Mr. Donald Ballard: —Messenger of the Ascended Master Saint Germain giving the instruction on the great law of life, the Mighty I Am Presence

"There are no money or political schemes in or back of this educational and patriotic activity. It is non-profit, non-political, and non-sectarian and is brought forth in the interests of the public good for the protection and illumination of America and all mankind. The hundreds and thousands of I Am students throughout America are the finest people in every community. They are staunch, fearless, determined, straight-thinking Americans who are banding together with a fierce loyalty for America and a relentless determination to free our country from every destructive activity.

"This ascended master instruction of the Mighty I Am presence is the law of every individual's own light based on the activity of light, energy and vibration. We invite those who are sincerely interested to attend the classes on Sunday afternoon at the Shrine audi-

(Testimony of J. H. Van Meter.)

torium beginning at 1:30. It is necessary to be recommended by someone in the activity or give other satisfactory reference. [366]

"For further information concerning this ascended master I Am activity, read the books of the Saint Germain series from the Saint Germain Press, Post Office Box 1133, Chicago, Illinois, or Post Office Box 428, Los Angeles, California.

"They are 'Unveiled Mysteries,' 'The Magic Presence,' 'The I Am Discourses,' 'The I Am Affirmations and Decrees,' 'The Ascended Master Discourses' and 'The Ascended Master Light.'

"The Monthly magazine known as 'The Voice of the I Am' in which these broadcasts are published, is for sale at the Sindelar Studios, 2600 South Hoover Street, Los Angeles, California.

"A Voice: Listen in each evening Monday through Saturday——"

(This record was all in the voice of Donald Ballard until the portion entitled "A Voice" which the witness testified was undoubtedly the voice of the announcer. The rest of the announcement was not played.)

RICHARD LEWIS BRONWELL

was called as a witness in behalf of the Government and testified as follows:

I am 27 years of age. I reside in Riverside near Chicago. I first met Mrs. Ballard in our home in 1930. I met Guy Ballard in June or July of 1932 in the Ballard home at Chicago. Thereafter, I saw Mr. Guy Ballard again in the fall of 1932. Thereafter, I saw Mr. Ballard at least once a week, about two or three times a week, for the next two years, in our home or at the classes held in Chicago. My mother attended classes conducted by Mrs. Ballard and I would accompany her. I believe Mr. Ballard left Chicago in October of 1934. I commenced to work for the Ballards in September of 1935. Mrs. Ballard engaged me as a stock boy in filling orders and in keeping the stock in shape at the Saint [367] Germain Press in Chicago. Louise Majerus was in charge. I left the employment in July of 1936 and later went back again. I knew Donald Ballard. I received stock, wrapped all orders, kept inventory of the stock, that is, of the merchandise, books and magazines, and later, the records, pictures, charts, etc. I would ship these books and other articles to group leaders and other persons. Miss Majerus received the mail, opened the mail, read the letters, received all moneys and deposited the money in the bank and paid the bills. I went back to work in September of 1937 and then finally quit in November of 1938.

(Testimony of Richard Lewis Bromwell.)

In the spring of 1938 in the basement of the Saint Germain Press, Louise Majerus also being present, Mrs. Ballard told Louise Majerus and myself to get ready for a rush on the I Am Decree books because they were going to push the sale of them as they had about 10,000 of them on hand and Mrs. Ballard said she wanted to get rid of them so that she could bring out a new decree book. Following this there was an increase in sales of the decree books. Following this conversation with Mrs. Ballard, Miss Majerus told me that the group leaders would not continue to receive the usual thirty per cent discount.

Cross Examination

I came from Chicago under Government subpoena. I first met Donald Ballard at the time I met Mrs. Ballard in 1930. I am also acquainted with Mrs. Muriel Bliss. Since coming to Los Angeles I was able to refresh my recollection as to some of the matters I have testified to. I have referred to my testimony in Washington and have talked to other students relative to dates, also, the government men. The students that I discussed dates with were Mrs. Bliss and Mrs. Hill. In addition to shipping books to group leaders I would send them to individuals who might write for them, to retail stores such as Marshall Field, Macy's and Wanamakers. I didn't have much to do with the shipping [368] of books to the classes; they went directly from R. R. Downey (publisher). I also shipped books to Brentano's and to public libraries throughout the country.

MURRAY STOVER

was called as a witness in behalf of the Government and testified as follows:

I live in Pasadena. I have lived there for about 35 years. I am a musician and play the cello and clarinet. I became acquainted with the Ballards in 1935 at their first class in Pasadena at the Shakespeare Club. Mr. and Mrs. Ballard and Donald were present. In the fall of 1935 I commenced to participate in musical work for the Ballard program and continued up until December of 1940. I played cello solos for various meetings and for the Minutemen's meetings and played the clarinet in the Minutemen band. I also arranged some trios and cello obligatos.

Exception No. 70

Over the objection of defendants that the matter was immaterial, the witness was permitted to testify that he was not paid for his work. Exception was taken.

The Witness: Just before the dismissal of a class that I had been playing for in the Shrine auditorium in the fall of 1940, while I was in the music room I heard Mrs. Ballard's voice. I had been in the music room about five minutes before I heard her. She was not in the room—she was in the hallway. I saw her in the hallway, the door was open. I heard a voice other than Mrs. Ballard's from beyond the door. This other person had stated to Mrs. Ballard that she found it difficult to do much with the work

(Testimony of Murray Stover.)

because people would not accept the spectacular and sensational. Mrs. Ballard replied that the spectacular and sensational drew the crowds and the larger the crowds the more the income. The other individual said, "But I can't seem to make them believe that." Mrs. Ballard replied, "I can make them believe and do anything I tell them." Mrs. Ballard also said that [369] most of the people would come to her on their hands and knees if she told them to. The other person had mentioned, as one of the statements that she could not make the people believe, was about the Master Hercules standing in the building or in the archway and an immense eagle hovering over the auditorium.

Cross Examination

I first related this conversation to one of our foremost group leaders, Ratana. I told her this, in the spring of 1941, about three or four months after I heard it. I quit the movement after I heard this conversation. Up to that time I was trying to be a devoted student. I think Ratana was out of the movement when I told her about that conversation. I told this conversation to Mr. Van Meter in the early part of this month. I went to his office in the Federal Building. I came to offer to testify in the case. I had not been subpoenaed. I was serious in my belief about this movement until I heard this conversation. I didn't confront Mrs. Ballard with the conversation. I presume when Mrs. Ballard said

(Testimony of Murray Stover.)

people would come to her on their hands and knees if she wished, that she meant that the people believed in her so implicitly and believed in the doctrines, that they would do so. Over the period that I was with the movement I heard Mrs. Ballard speak to hundreds of thousands of people. The audience was uslly 4000 to 5000. [370]

GEORGE THOMAS STEVENS,

being called as a witness in behalf of the Government, testified as follows:

I am an auditor for the State Board of Equalization. I became an "I Am" student in the fall of 1937 and disassociated myself from the movement right after the Shrine class of 1939 at about the time of the death of Mr. Ballard. I attended many classes and remember attending one where Mr. Ballard discussed a legacy that a young couple had obtained. It was in the middle of 1939 and took place at an evening meeting at the Wilshire group at the Ryan Dance Studios after one of the regular Shrine meetings. There was close to a thousand persons present.

Exception No. 71.

Mr. Neukom: What did Mr. Ballard say with respect to this young couple?

Mr. Cannon: Objected to as being immaterial, and not tending to support any issue in this case or any charge made in the indictment. There is nothing in

(Testimony of George Thomas Stevens.)

the indictment with respect to any advice as to legacies or inheritances, or anything of that kind or character.

The Court: At this time we will overrule the objection and note an exception to the defendants.

The Witness: Mr. Ballard said that a young couple had received a legacy and had foolishly invested it in a home when it would have been much better to have put it into the work, because they could have the use of that home for such a short time, in view of the fact that this general cataclysm would come in such a short time that they would have very little use of that home. I had heard Mr. Ballard mention a cataclysm prior to that date.

I was a hundred percent student and endeavored to live up to the teachings of the movement. I heard Mr. and Mrs. Ballard discuss, while I was a student, the matter of ascension. [371] The first time was at the Shrine meeting in 1937 at which Mrs. Ballard was present. An explanation of the ascension was made. We were told that if we followed the teachings of the I Am books and lived according to the principles laid down therein, that we would be able to purify the physical body to the extent that it would become so estherial that it would rise at the time that the ascension was made; and we were told that it was perfectly possible to do that in this embodiment. I believed that at the time. I bought books that were being sold. I was told that the

(Testimony of George Thomas Stevens.)

incidents related in the books were true and real and I believed that. (Tr. Vol. 15, p. 2297).

Exception No. 72

I would not have bought the books if I had felt that the incidents therein related were visionary.

Mr. Cannon: I move to strike it out until I make an objection.

The Court: It may be stricken.

Mr. Cannon: Objected to on the ground it is entirely immaterial and has no bearing on the issues in this case, because profit or loss is not an element at all in the case; and on the further ground that it is attempting to make it the basis of a civil fraud in which the rules of evidence are quite different than in a criminal case.

The Court: Overruled. Exception allowed.

The Witness: I heard Mr. and Mrs. Ballard discuss the subject of precipitation on more than one occasion. I can't give a definite date only to say it was discussed at practically all the Shrine classes including the one I attended in 1939. Mrs. Ballard was present and it was discussed from the platform. She said that it would be possible, if we trained ourselves fully in the lines as laid down in the books, to so concentrate and have control over the elements, that we could at will visualize whatever [372] we desired and it would be materialized into the outer.

I remember distinctly Mrs. Ballard explaining to

(Testimony of George Thomas Stevens.)

us on a sunshiny day that it would be possible to look out and see these little shiny particles floating around in the air, that we had generally thought of as dust particles, that that was the elemental substance that was formulated to produce whatever we might be visualizing at the time, whether it might be clothes or homes or automobiles, or whatever it might be. I believed that at the time.

I am an auditor and deal with figures. I was present at a meeting the latter part of December, 1939, the week prior to the death of Mr. Ballard, when Mrs. Ballard was conducting the lectures. She stated to us that Mr. Ballard was out with Saint Germain doing special work and that was the reason that he was not on the platform. I later heard that he had died and after that I left the movement.

Cross Examination

I have had grade school, high school and a university extension course in certified public accountancy from the University of Minnesota. I completed my work there in 1923. I do not have a certificate. Since that date, I have been practicing accountancy, in one form or or another. I have been working for the State of California for six and a half years. I conduct sales tax audits. I had that position when I was an adherent of the "I Am" movement. I am accustomed to dealing with practical things and I am a Bible student. I have not engaged in theosophical research and have done practically no read-

(Testimony of George Thomas Stevens.)

ing of psychic literature. I had done no theosophical study before my association with the I Am movement and what I have done has been after my association. I do not feel that my association with the I Am movement has given me a better outlook on life. In many ways, I think it has harmed [373] me. In the first place, we had placed absolute confidence in these so-called messengers, and when we finally came to the conclusion as to how false they were, it was a tremendous shock to our spiritual being. We attended lectures from the beginning. With the one in December of 1937, we attended that all, that is those that were held at the Shrine Auditorium. That would be at least five. I attended group meetings once each week. They were conducted by Mr. and Mrs. John Rook in Inglewood. We also attended the Wilshire group meeting on Thursday and Sunday, so we went Monday, Thursday and Sunday to the group meetings, almost the entire time from 1937 up until December, 1939.

Mr. and Mrs. Ballard said, "Don't believe us, but prove us", and that is the thing we were trying to do. I believed the statements in respect to precipitation until shortly before the time we left, a short time before December, 1939. We bought some books right at the very start, because we were told that was the way we could learn. Our first book was purchased at the Christmas Shrine class during 1937. At that time I didn't have a firm conviction of the truth of the representations.

(Testimony of George Thomas Stevens.)

Mr. Cannon: Well, then, you didn't buy the books because of any belief you had in what they told you, did you?

The Witness: We did. After that first book that we bought, then we purchased each volume as it was brought forth. At the time we bought "Unveiled Mysteries", we had read the copy that was loaned to us to begin with, and at the time we bought the book we believed it, yes. We bought the first book because of our belief in what had been told us about the possibilities that there were—I had been searching for various truths of existence of life beyond which I had been able to—there were many questions I hadn't had answered for me by the orthodox church, and there still are. The Ballards told us that they had a law of life and that we should believe them—we should not believe them, but [374] we should prove them. That is what I was trying to do. I believed what they told me, and they told me that I could learn further from the books that they had. I believed that, and I purchased the books. What it was that I had been told and what I believed before I bought the first book is a rather difficult question. I believed what they said about ascension. Mrs. Ballard explained the ascension in the early stage of the class. That is what I heard, that was during December, 1937.

Q. No, no. I am talking about what they had told you about before December, 1937, before you bought the book.

(Testimony of George Thomas Stevens.)

A. I told you that that was the—our first contact was when we attended one meeting, or two meetings in the July class. Now as to that, we got just a very sketchy knowledge of what they had. We then had no further contact until the December class of 1937.

Q. What did they tell you prior to December, 1937 about ascension?

A. I don't recall. I have explained to you that it was just very sketchy, and that was our first real contact, was at that class. We merely attended one or two classes in July before we went East. When we came back and learned that they were having this next class in December, I went down with my wife to the class. Now, that is our first real contact with the movement, of which I have answered your questions. They told me that this matter of ascension depended upon our purification of our physical body. They told us all through that movement that unless and until our physical body had been so perfected it could not ascend. I never reached the stage where I thought I was entitled to ascend. Concerning precipitation, they told us that it would be possible for us, through concentration, to materialize from the elemental substance which was all about us anything that we desired in the nature of clothes, homes, automobiles, or whatever we might desire. [375] My first recollection of that was at the Shrine meeting in December, 1937. I never tried it. I be-

(Testimony of George Thomas Stevens.)

lieved that it would be possible at some time in the future.

Q. I thought you testified that they told you that if you would do that that you could instantly precipitate those things.

A. That is true. When we got to the point where we had so purified ourselves. At all the lectures I heard about precipitation. They always told us that that could not be accomplished by me or anyone else until I had reached the perfected stage. We had held before us the time when a meeting house would be precipitated. They never told us when that would be, but it was when people had arrived at a stage of perfection. I have read the Bible and I recall the Ballards calling our attention to the passage about having the faith of a grain of mustard. I don't recall their quoting the statement of the Master Jesus that if we had the faith of a grain of mustard seed we can say to yonder mountain, "Be removed", and it would be removed, but I can recall their referring to the mustard seed. I don't recall just what they said regarding the mustard seed faith.

I haven't discussed this matter with the Government officials since a year ago. Before I first appeared in the case, I discussed the matter with the United States Attorney and with the Post Office Inspectors. I had not heard of the "I Am Presence" before I heard the Ballards. I cannot give any more definite date than the year 1939 for the talk concerning the young couple. I don't recall

(Testimony of George Thomas Stevens.)

anyone who was there other than my wife. I could name plenty of possibilities. It was at the Wilshire group meeting, and in the absence of Mr. and Mrs. Rogers; Mr. Ernest Ricord conducted the meetings. I don't remember whether they conducted this one. The only thing I can say was that it was at a meeting after the Shrine class had closed. It was the custom of Mr. and Mrs. Ballard for a time, at least, after the Shrine class [376] was closed to come over either to this Wilshire class meeting or to one of the regular group meetings and give a talk. I don't recall whether Mr. Ricord was there that evening. Well, definitely Mr. Ricord was there.

Q. He was there, was he?

A. No, I withdraw that. In all probabilities, he was, but that is not definite. I withdraw that. The only one I can definitely and positively tell you was my wife. I think she was there.

Mr. Cannon: Reading from

GOVERNMENT'S EXHIBIT 44,

the December, 1938 issue of "The Voice" magazine, at p. 5:

> "It means this: There will be certain ones among the students for whom at the time of passing, not otherwise being able to complete the Ascension in this embodiment, the Purified Essence of the physical body will be drawn into the etheric body. In this way, they will be permitted to make the Ascension while the outer

(Testimony of George Thomas Stevens.)

structure, the discord of the human form remains here."

Q. Does that refresh your recollection that they told you, early in the proceedings, that the human form was going to remain here and not the whole physical body go into the ascension.

The Witness: From that time—that was a complete reversal of their original teachings to us. I regarded it as a reversal because of this fact: that there had been stated from the platform that Mr. and Mrs. Ballard were wholly pure and perfect and could make their ascension at any time they so desired. At that time there was nothing said about a special dispensation which this paragraph that you referred to explained. There seemed to be an abandonment of the original idea. I testified as follows at the previous trial.

"Q. I am still talking about the ascension, and [377] I asked you a while ago, and I will ask you again, if you ever heard any conversation about the outer form remaining?

"A. Never prior to the outcome of that discourse you just read.

"Q. Then you change your testimony at this time to say that never prior to that discourse?

"A. Yes.

"Q. I see.

"The Court: Was that discourse pronounced or called by somebody a departure from the

(Testimony of George Thomas Stevens.)

teachings, or did you feel it was a departure from the teachings?

"The Witness: It was a new development of the teachings."

Is that correct?

A. (Pause.)

"The Court: You didn't think that the old teachings had been deserted, did you?

"A. No, it was an unfoldment." (Tr. Vol. 15, p. 2324)

That is not my belief at the present time. The thing that changed my mind is when you have a sober afterthought, you oftentimes draw conclusions and come to certain varied conclusions; and to me now at the present time it is a complete reversal. The testimony that you read was what I gave December 19, 1940, a year ago. I would not say that my memory is better now than it was then.

Mr. Neukom read from Government's Exhibit 13, the May, 1936 issue of "The Voice", at p. 13.

Recross Examination

They told us that in the ascension our physical body was to be drawn up into the finer body.

Mr. Cannon read from Government's Exhibit 25, the May, 1937 issue of "The Voice"; and from Government's Exhibit 21, the [378] January 19, 1937 issue of "The Voice", at p. 18.

CATHERINE ROGERS

was called as a witness in behalf of the Government and testified as follows:

I am the wife of Harry Rogers who was on the witness stand sometime ago. At one time I was a member of the Ballard staff, traveling around the country with them. I reside in Los Angeles at present. I first heard Mr. and Mrs. Ballard and Donald in 1935 and I started traveling with them in 1936. I traveled three years with them. I met them in Pasadena in 1935, being introduced by Mr. Max Gysi. I started traveling with them in the fall of the year 1936. By that time we had come to know them personally. They left one of their big automobiles here in Los Angeles and asked us if we would drive it East for them, so Mr. Rogers and I did that for them. And when we arrived in St. Louis they invited me to sing on the platform, and Mr. Rogers to continue making the announcements as he had already been doing in the Pasadena class. I am a singer by profession.

Mr. Rogers started making the announcements for the Ballards at the Pasadena class. I was present when he was invited to do so by Mr. Ballard. Up to that time Mr. David Livingston had made the announcements, and Mr. Ballard asked Mr. Rogers if he would make the announcements at the coming class because things had not been going so well for them, the money hadn't come in, and would Mr. Rogers please now see what he could do in the announcements from then on, or at least for the com-

(Testimony of Catherine Rogers.)

ing class, as we understood it. He did several classes and then they went East without us. They went to Sale Lake City or somewhere without us, and then on to St. Louis, and that is the time we drove the car East. From then on Mr. Rogers made the announcements. We ceased our affiliation the middle of 1939.

We traveled with them from the latter part of 1936 until that period in 1939 as a member of the staff. We did not receive [379] a salary. Occasionally, we received some love gifts from Mr. Ballard and sometimes something from Mrs. Ballard. For the first year or two, at the close of the classes, which would run ten days and there would be a week interlude, at the close of each of these classes Mr. Ballard, it got to be a habit with him, to come to my room and hand me an envelope in which there might be a hundred dollars, sometimes fifty, and towards the last as we traveled, the amount got smaller. I might say it would average $50 monthly, in that it was $100 sometimes and $10 towards the last. I contributed to the Ballard organization my time, energy, and full cooperation as far as I could as long as I could, and I also took part of the money that might be given to me and put part of it back into the love gift box out in the auditorium. That was after I became a member of the staff. Prior to becoming a member of the staff I made contributions to the Ballard organization. It was a matter of principle with Mr. Rogers and with me to give 10 percent of everything that was coming in

(Testimony of Catherine Rogers.)

to us personally to what we considered a spiritual work. So we gave 10 percent of our income in 1935. It would be between $500 and $600. I bought Mrs. Ballard a $400 diamond wrist watch. However, the funds weren't entirely my own. They were funds I collected from students and added to them myself. On many, many occasions I bought her personal gifts ranging from a dollar to $15.00.

In the beginning, I wrote many of the words of the songs that appeared in the song books. I wrote some of the music. I was present at all of the classes. That was one of the things that was demanded of all of the staff members, that we should be present at the classes. I was always present. Donald Ballard was present at a great many of the meetings, but often I would sit behind the stage and often Donald would leave the building during the classes. I remember one occasion at a staff meeting at a hotel in Philadelphia, on one of our trips East, it must have [380] been early in 1937, at which Mr. LaFerrera, Virginia LaFerrera, Mr. Rogers and myself were present, besides Mrs. Ballard and Donald Ballard. Mrs. Ballard said that it was her wish that we all be present and that she wanted Donald to be present at the classes and remain during the class. He said that his car needed fixing, and she said that it didn't matter how many cars needed fixing, it was our duty to be there, the least we could do was to be there ourselves.

I purchased books during my association with the movement. Mr. Rogers would purchase them at the

(Testimony of Catherine Rogers.)

Sindelar Studios. They were books of the Saint Germain Press. I would say I purchased about 30 sets of books. Originally the sets, the ones we gave out, consisted of "Unveiled Mysteries", "The Magic Presence", and "The I Am Discourses". There were more books coming out later and we would buy them more individually as they came out. We gave them to some of the public libraries and we had quite a run of time in which we put them on the battleships. I heard a conversation in 1936 between Mr. and Mrs. Ballard, in which Mr. Ballard started to say something about what he thought ought to be done with regard to the books, and Mrs. Ballard said to him, "I want you to remember that I am in full charge of the publications and you will please let the publication of these books alone and let me alone, too." Mr. Ballard once said to us just before the publication of "The Ascended Master Light" book in New York that he wished that Mrs. Mundy and Mrs. Ballard would not go ahead and get out this next book, that the students had so many books now that he wished that they would desist from going ahead. He definitely stated he wished they wouldn't do it.

I can remember a public talk that was given by Mr. Ballard in Philadelphia at a night class when Mr. Ballard got up on the platform. It must have been in 1939, and he said, "These messengers are perfect and cannot make a mistake, and if you see [381] any mistakes that you think they made a mistake, that fault is within yourself." I couldn't be-

(Testimony of Catherine Rogers.)

lieve that. That was one of the first nights I could not definitely believe. I had heard that statement previously in staff dictations in which we were told that many times. I remember another instance in Seattle in 1938. We were told that in one of the so-called dictations. Mr. Ballard told us that Mrs. Ballard had no human passions, no human faults, could not feel anything but full perfection at all times, and the fact that they had just accused me of being jealous of Mrs. Ballard, and they said that was my own feeling and that I couldn't understand it; and Mrs. Ballard said, "Well, is it possible, Saint Germain, that I could feel anything like that?" and he said, "No, Lotus, you cannot feel anything but perfect emotion. You long ago attained that perfection." That must have been in 1938. (Tr. Vol. 15, p. 2352).

I recall being present at a staff meeting at Denver, Colorado, in 1939, at which Mrs. Ballard accused Mr. Ballard of sending letters out to the students. Mrs. Ballard said to Mr. Ballard, "You are sending letters out to the students without my knowledge and without Mrs. Mundy's knowledge, and this cannot go on." Mr. Ballard answered back, and the conversation continued for almost two hours and finally at the close of the conversation Mr. Ballard said, "Well, I will quit if you want me to." At a staff meeting at Oakland, in the Lake Merritt Hotel in 1938, at which Donald and Marjorie Ballard were present, Mr. Ballard in one of the so-called dictations told me I would have to watch my

(Testimony of Catherine Rogers.)

step, that I was becoming jealous of Mrs. Ballard and assuming too much authority. It was supposed to be Saint Germain's dictation. It continued for quite a long time. The dictations almost always lasted from one to two hours. The part I related lasted only long enough to say that. I came out of the room crying, and Donald and Marjorie Ballard came up to me. He took my hand and shook it, [382] and said, "I am all for you, Catherine. I know how you feel because my mother is the meanest woman on earth."

I recall a statement made by Donald Ballard regarding the woman students of the organization. It occurred in Los Angeles in one of the earlier classes. He was speaking to himself; "just to the air". He said, "I wish those darn students would keep away from me and let me alone."

Mrs. Ballard stepped through the curtain first at the meetings, then Mr. Ballard, and then Donald. Mrs. Ballard would then talk to the Mighty I Am Presence, then usually Donald Ballard, and then Mr. Ballard. Donald Ballard gave what he called his invocation to the Mighty I Am Presence. Then he usually shook hands with his mother and walked off the platform. I was usually behind the curtain or off to the side of the stage. Mr. Ballard would then speak. Mr. and Mrs. Ballard would then talk to the audience. The discourses would be received sometimes during the course of the talk or at the close of the talk and sometimes only once in seve[illegible]

(Testimony of Catherine Rogers.)

weeks. I recall on one occasion observing Donald Ballard's actions during the time his father was receiving a discourse. I think it was in 1938, the first time in Detroit. It was behind the stage and I heard a dictation going on from Mr. Ballard. Mr. Rogers was present and the former Mrs. Ballard. I saw Donald looking at a "Popular Mechanics" magazine. Another incident would be at the Shrine Auditorium in 1938. The former Mrs. Ballard and myself were present back stage. I saw Donald go and come back with a bottle of 7 Up and drink it and look at a magazine called "Pic". At the time his father was speaking from the platform on the subject of the Law of Life and the Mighty I Am Presence and the Victory of America. It was a discourse.

In a dictation at Glacier National Park, Mr. Ballard said my voice would be heard around the world, that people would come from all over the world to hear me sing, that my voice [383] had such healing power that all I had to do was to sing for people and they would be healed. (Tr. Vol. 15, p. 2380).

I followed the Ballards' teachings to the best of my ability at the time. I do not know of any healing qualities my voice has. I left the organization in 1939. Prior to the time I left my position as a member of the staff, I had a conversation with reference to my non-acceptance of the dictations. It occurred in Chicago between Mr. Ballard and my-

(Testimony of Catherine Rogers.)

self. I told him that because of the contradictions in the work that was given out in the so-called dictations, I could no longer accept them because they were in contradiction, many points were in contradiction, one to the other, absolutely differently stated and didn't mean a thing, so I couldn't accept them. He said that if there were any contradictions, they were in my own mind and that I had better think very seriously before I dare leave the activity; that I would possibly lose my physical body within six weeks and I certainly would lose my voice and be a social outcast if I was sent home by them, if I could no longer believe what they said. I thought seriously about what I told Mr. Ballard and continued with them. I told him at that time if the difficulty was within myself, if all of these errors lie within myself, I would do everything humanly possible to try and believe everything they told me; that I would go on and wouldn't doubt anything they said to me. He told me I was very wise in making that decision. As I came out, Mrs. Ballard came up and caressed me and said, "I was very glad that you decided to give obedience," because they had been very concerned, they had seen that I wasnt believing everything I was told to believe and that she was glad I had made that decision at that time; that from then on I wouldn't doubt anything. In a so-called dictation that occurred that night, Mr. Ballard said, saying that Saint Germain was talking, that he was very glad that I and another member of

(Testimony of Catherine Rogers.)

the staff would no longer doubt anything [384] that Mr. and Mrs. Ballard would say, because if we didn't watch our thoughts and feelings and have to be dismissed, that we would lose our physical bodies and would pass out in so-called death, and it could happen within six weeks' time from the time we were dismissed from the staff.

At a class meeting in Dallas, Texas, in 1939, Mr. Ballard said, "These two who are doubting my words will see themselves in abject poverty and humiliation. We have taken them out of the gutter and raised them up, and now they will be cast down again." About three weeks later I left the organization. I heard a statement made by Mr. Ballard in Washington, D. C., in 1938, at a staff dictation concerning retiring. He said, "Our income was sufficient last year that we could retire on the sale of our books without going on if we cared to do so."

Cross Examination

That occurred in Washington, D. C., in 1938. I couldn't say whether or not I had lost faith by that time. It followed my discussion with Mr. Ballard concerning doubting dictations. I believed what Mr. Ballard said concerning losing my physical body and not being able to sing again if I doubted. I was kept in the movement by reason of fear through 1938. I didn't make the statement that there was a dictation to the effect that Saint Germain was glad that those two who were doubting were not going to doubt any more. I couldn't answer the question

(Testimony of Catherine Rogers.)

"yes" or "no" as to whether or not at the time Mrs. Bliss was dismissed or quit that I began to circulate gossip and stories about the Ballards. I don't know what you mean by "gossip". I spoke the truth. If it was true, I spread the truth about them. That occurred from the time Mrs. Bliss was dismissed. That was in May or June of 1939. I continued to travel with them until I got home to Los Angeles. I did not sit on the platform, but I still walked out, sang a song, and walked off again. I did not come to the conclusion I definitely [383] didn't believe. I didn't believe certain things, and some contradictions I couldn't accept.

Mr. Cannon: When did you come to the conclusion that you definitely did not believe it.

The Witness: I got over my fear complex, as you said, that I was held by fear, when Mrs. Bliss was dismissed, sir. That was in 1939. I recall the meeting of the group in Philadelphia at the Masonic Temple in 1939 when Mr. Ballard said that he and Mrs. Ballard were not capable of making any mistake. I did not believe the statement. I had come to the point where I doubted that. That might have been following Easter, about a month after Easter in 1939, because we were in Chicago at Easter time. Mrs. Bliss was dismissed at the Easter meeting in Chicago. I lost most of my faith before this Masonic Temple meeting in Philadelphia. I was getting over my fear then. I have known the Ballards since 1935. I didn't teach Donald piano lessons when he wore

(Testimony of Catherine Rogers.)

knee pants. Last year in the testimony I was caught unawares, but they said knee pants, but he had a military suit on. I want to correct that. I did teach him piano lessons. We lived in hotels. I was virtually a member of their household, though they had no house. We lived in hotels for three years. I ate with them. What confidence they cared to share with us, we shared. I heard my husband make a good many of the announcements; he might talk as long as 20 to 40 minutes. He would talk until the Ballards arrived. He was instructed to keep on talking until they gave him the signal to quit. I believed he was sincere until the last couple of weeks. That is a difficult question for me to answer. He has answered that himself. I was behind the stage while he was talking. I heard his words rather than observed his manner. I don't know what you mean by the question whether I was living with him as his wife then. We were leading a celibate life under the Ballards' instructions. We were on terms of amity. I believe now that he was sincere. [386] My feeling that he was sincere continued up until Easter of 1939. (Tr. Vol. 15, p. 2395).

When Donald said that his mother was the meanest woman on earth, I doubted it at that time and thought it was just an outburst of a young man. I am not bitter in this case. I would be glad to speak to the Ballards if they would speak to me, but they refuse to. I am friendly with Mrs. Hill and speak to her when I see her and Muriel Bliss. I have not

(Testimony of Catherine Rogers.)

been visiting back and forth with her while she has been here. I speak to Mr. Gerald Bryan when I see him; I spoke to him in the hall during recess today. I ran into him. I did not maintain my home in Los Angeles on the $50 or $60 received. I was present when my husband conducted classes. Love gift boxes were maintained in the auditorium to put money into, but they weren't taken up. Deposits were made in these boxes the same as they were in any other meetings that I attended, but they were quite different from those conducted by the Ballards, because in the Ballard classes Mr. Rogers was asked to go out with the love gift envelope and show it to the people and show them how they could put their money in, and at Mr. Rogers' class there was scarcely a mention made of the money, there was no one there to present that side of it, that the boxes were just there if they cared to give. My husband conducted somewhere between 10 and 100 classes. I couldn't give any better estimate than that. The classes were conducted over a period from 1935 to 1939. I sang, played the piano, in the early days: read out of the books and welcomed the people when they came and said goodbye to them when they left.

Q. What happened to the love gifts?

A. Well, sir, after we traveled with the Ballards, Mrs. Ballard instructed us to use part of that to keep our expenses going. Before we started traveling, that is what we bought many of the books and part of the 30 sets of books with, with the love [387]

(Testimony of Catherine Rogers.)

gifts. In other words, some part of the love gifts that were taken up at the classes conducted by me and my husband were used for the purchase of the books to give to the battleships. We didn't keep the rest of it. We never kept a cent of money until we went with the Ballards, and then we were told to keep our expenses going. The balance was spent in the Ballard activity by Mr. Rogers and myself. We did remit some to the Ballards. All of it that came in went to the books and the Ballard activity. Many times, we sent them cash. They didn't pay all of our household expenses while we were on tour. I did testify at the previous hearing that they paid our expenses while we traveled with the staff and that is correct. When asked if they paid all our living, I answered "My husband and I. The children at home were taken care of with the love gifts that we received from Mr. and Mrs. Ballard," but it isn't true, I am sorry. They came from the love gifts of the Ballard activity, if that is what you mean. (Tr. Vol. 15, p. 2404).

When Mr. Ballard gave the dictation about my being in the gutter and being raised up, in 1939, I did not believe it and come to the conclusion that he was just making it all up. That was about June in Dallas, Texas. That was after Mrs. Bliss had been dismissed.

I never made any report of any of the finances of any of the group meetings that my husband and I held. Mr. Rogers took care of all that. I didn't con-

(Testimony of Catherine Rogers.)

duct meetings without Mr. Rogers. We conducted meetings from April of one year until October the following year in our home, and then we rented a little auditorium. We stayed in our home until the following year, I think it was in November, when we moved in 1936. That covers 1935 and 1936. During that time, we had money paid in either as love gifts or whatever you want to call it, and I did what I wanted with that. No one called upon me for a statement as to what became of that money. No one told me to organize my own class. The class grew from a very [388] small group to a rather large one. I think it grew from 7 to 14 people, until when we left the movement, we had over 5,000 registered in the class. It had 900 people when it was conducted by myself and my husband up until October of 1936. It was then turned over to Mr. Ricord, and thereafter he conducted it up until the time he left the movement, except when we would be in Los Angeles, Mr. Rogers and I would go to the group. I never made any explanation at any of the classes as to the chart, not that I made a definite point of it. I may have explained it when I had been different places, but not as an explainer of the chart. I was a professional singer and sang on the National Broadcasting hook-up over KFI in Los Angeles before I went with the Ballards.

Redirect Examination

No dictations were given at the classes conducted by Mr. Rogers. I never noticed dictations given in

(Testimony of Catherine Rogers.)
any groups other than when Mr. and Mrs. or Donald Ballard were present.

EDWARD PERCY BAILEY,

called as a witness in behalf of the Government, testified as follows:

I am 75 years in May next. I got the title "Colonel" as I was a medical officer for the British Government during the World War. I first met the Ballards in Los Angeles in 1935. I had a home in Long Beach at the time where they visited me. I had a history or a book in my home on the subject of one Saint Germain. Both Mr. and Mrs. Ballard indicated a desire to read it. I think it was "The Life of Saint Germain". At that time they had a book by the name of "Unveiled Mysteries" which they were offering for sale. I cant say that I was ever a definite member of the I Am movement. I visited the classes and their groups. I never had a card. I was present at the shrine class in 1935. Mr. and Mrs. Ballard were present. I had a conversation with Mrs. Ballard at that time in 1935. I happened to be behind the curtain when Mrs. Ballard was ready to go into the meeting and she incidentally said [389] to me, "Saint Germain came to us in his tangible, physical body last night at the Hotel Figueroa and he has instructed that you are to take over his work when we leave here." I believe it

(Testimony of Edward Percy Bailey.)

was the third from the last meeting in their first session in the hall, Mrs. Ballard called me onto the platform and introduced me to the audience. There was a full house there. She stated the same thing, that Saint Germain had come to them in the Hotel Figueroa in his tangible body and instructed them that on their leaving I was to take charge of his work in this district.

After they left, I didn't conduct classes, but my work was to get the names of students who wanted to continue classes and the names of capable students to lead those classes or group meetings in their own homes. I received Government's Exhibit 182 through the mail. Thereupon

GOVERNMENT'S EXHIBIT 182

was admitted in evidence.

"Montclair Hotel,
"50th & Lexington Aves,
"New York, N. Y.
"Oct. 1, 1935.

"Col. Edward P. Bailey,
"1315 East Ocean Blvd.,
"Long Beach, Calif.

"Beloved Blessed Brother of the Light:

"Your several letters received and we note all you say. It is unfortunate indeed that the other members of the committee could not see the motive in your heart, which Saint Germain and we know to be pure and true as a diamond.

(Testimony of Edward Percy Bailey.)

"We are deeply sorry for the confusion that some of the members of the Committee have permitted to drive in and cause this unnecessary and unfortunate condition. Unfortunately, most students do not know how to give [390] willing, loving obedience to the heart that is so sincere. Mistakes of the heart are one thing; mistakes of the head quite another. We know, Col. Bailey, that you have made no mistakes of the heart, which is after all the only important thing. If others do not recognize this we can but ask the I Am Presence to illumine them by Its Mighty Light that they may see only Its Presence and Light in everything you try to do.

"We know your intense sincerity to do the right thing and your motive has only been to do that which would guard the work and accomplish what Saint Germain and we had hoped might be done through the seven rays of the Committee, which however, did not include any very close personal friend of any one of that Committee.

"It was hoped that all might have been strong enough to have been the channel for an activity which under national crisis would be prepared and through which Saint Germain could give protection of even a physical nature to those who will need it under the cataclysmic condition which is coming. However, if their cooperation with you is not a glad free gift of Love

(Testimony of Edward Percy Bailey.)

and of their own volition, he could not work through such a focus.

"The best thing to do, under the circumstances, is to dissolve the Committee entirely and in the future if Saint Germain cares to try the effort again I am sure he will draw to you through the I Am Presence, those whose love and loyalty will make them be in loving, willing agreement with the ideal in your heart, for which you so loyally stand."

* * * * * *

It is signed "The Ballards, by G. W. Ballard, Edna W. Ballard." [391]

Then the postscript:

"P. S. We are sending a carbon copy of this letter to each individual of the Committee and enclose herewith copy of our letter to them."

"EWB"

Attached is a copy of a letter from the Montclair Hotel, in handwriting above, "To the Committee Members," signed "The Ballards, G. W. Ballard, Edna W. Ballard."

* * * * * * *

"Unfortunately you did not see the motive in Col. Bailey's heart. For this we are deeply sorry. Blessed ones, there are mistakes of the head and mistakes of the heart. Col. Bailey has made no mistake of the heart, which is the

(Testimony of Edward Percy Bailey.)

most important thing in human experience. What some of you felt was personal dictation is but a lifetime of habit which is the natural result of his service in the army and of a natural executive temperament. You must look deeper than your own personal ideas when a work of national importance is to be done. As we have stated to you so often, the Ascended Masters will never intrude any of their work upon the individual's free-will."

* * * * * * *

"It is for the best, as we have written Col. Bailey that the Committee be completely dissolved and each one hold to his own I Am Presence as closely as he can to maintain peace, harmony and Love within his own feelings toward every one else—Col. Bailey included. This is the only way that you can serve either your I Am Presence, Saint Germain, the Light or ourselves."

* * * * * * *

"If there are those among you who do not agree with [392] the ritual which Col. Bailey has issued to use, it is unfortunate, for no living being can read that ritual and not feel a tremendous Light and Love which is released when those words are spoken. I am sure every one of you have felt the radiation within them, for they contain many paragraphs of Saint Germain's own words, which are his flames of Love." * * *

(Testimony of Edward Percy Bailey.)

A Commiteee was appointed by the Ballards to help me carry on. I received

GOVERNMENT'S EXHIBIT 183

through the mail two months later and thereupon said Exhibit was received in evidence.

"Washington, D. C.,
"November 26, 1935.

"Col. Edward P. Bailey,
"1315 E. Ocean Blvd.,
"President Apartments,
"Long Beach, Calif.

"Dear Col. Bailey:

"You are now dismissed from any further privilege or authority to serve the Messengers, Myself, or any other of the Ascended Masters in this embodiment.

"To willingly try to deceive earnest students seeking their freedom in the Light is unpardonable. You have made yourself a claw of the sinister force in coming into association with the Bernard woman. My pity goes out to you and Wayne Walker, for your complete freedom, for both of you was at hand when the Messengers were in Long Beach. There was so much good in both of you and now to allow it to be so distorted as has been done. Too late will you cry out in agony for the mistake you have made.

"Your earth span is very short. Make your

(Testimony of Edward Percy Bailey.)

peace with your God and call on the Law of Forgiveness while [393] there is yet time, less you deprive yourself of opportunity in the next embodiment. Do not try to bluff such deception through any longer, less you do this thing again in the next two embodiments."

"When you willingly put yourself under the red light, you cut off the White Light.

"My Love and hope goes out to you, that you may yet face about and calling on the Law of Forgiveness, call sufficient assistance to cut you free of this sinister claw.

"I Am making this one last attempt to help you. CHOOSE. The All-seeing Eye of God is upon you."

"SAINT GERMAIN"

At the time I received the last Exhibit, I was still organizing I Am groups, but not after receipt of it. [394]

DR. CLAUDE L. DAVISON,

being called as a witness in behalf of the Government, testified as follows:

I am a physician and surgeon. I graduated from the University of Illinois in 1926. I have been practicing in California since 1926. I had occasion to treat Guy W. Ballard. I first saw him two days preceding his death at his residence in Los Angeles.

(Testimony of Dr. Claude L. Davison.)

He was a desperately ill man, was markedly jaundiced, was not able to communicate, in other words, semi-delirious. His abdomen was markedly extended with fluid, and, apparently, it was a terminal condition, meaning that the end was near. I performed a paracentesis of the abdomen, which is tapping the abdomen for fluid. I was present at the time of his death, which occurred on December 29th (1939). It is my opinion that he had arterio sclerosis of the heart. Gradually you get changes in the various organs of the body due to congestion, congestion of the liver, and, as a result of that, he had secondary changes in the liver, producing what is known as cardiac cirrhosis. The ailments were of a progressive nature. Denegerative changes are over a period of years, from three to five years, although the patient may not be especially conscious of it except he is weak and tired from exertion. The secondary changes in the liver ordinarily come on within any place from six to eight months, even shorter periods of time, after the break in compensation; so apparently the break in compensation in his heart must have been present for at least three, four, five or six months. I made out the death certificate. I was informed he was 60 years, 4 months and 1 day old.

Cross Examination

On the certificate, I spoke of arterio sclerotic heart disease, date of onset not known. The certificate says cardiac cirrhosis of the liver, symptoms

(Testimony of Dr. Claude L. Davison.)

three months. In other words, I meant to say on the onset I didn't know whether it was two years or three years. No one is able to give a definite estimate [395] of that, so you have to date it—I mean, if there is no definite story as to the time of duration you put that down. I said symptoms for three months of the liver disturbance, approximately three months. It is correct that on any degenerative diseases of the heart, a person may have those for a period of many months or a number of years and never know it themselves. It is something just sort of creeps up on a person. The diagnosis with respect to his liver was made from my examination and the laboratory findings, which were consistent with a marked liver disturbance. The laboratory tests were made from blood taken from his veins. The matter of diagnosis of trouble without an autopsy is based upon clinical opinion, certainly, but not entirely when it is confirmed by laboratory findings. The man died of a liver disturbance, and whether it was due to a cirrhosis or whether it was due to a malignancy is beside the point. I mean, he had a liver disturbance. (Tr. Vol. 16, p. 2442.)

DR. FRED B. MOOR,

being called as a witness on behalf of the Government, testified as follows:

I am a physician and surgeon and have been such since 1920. I graduated from the University of

(Testimony of Dr. Fred B. Moor.)

North Dakota and the College of Medical Evangelists. I have been practicing in California since 1920. For the last five years I have been teaching at White Memorial Hospital. My specialty is therapeutics. I am professor of pharmacology and therapeutics in the medical school. I am the Director of Physiotherapy in the hospital, that includes the use of water, light, electricity in the treatment of disease, exercise and massage. It includes light which gives off heat and radiation. I am not in any wise affiliated with the I Am movement, nor acquainted with any of the defendants. The medical profession to my knowledge does not consider that the color blue has any therapeutic value. This is my opinion, which is based upon my studies and knowledge and readings and [396] experience. In my opinion, the color blue does not have any therapeutic or healing value.

I have made no special study of sound waves in connection with healing. The present medical profession is studying the super sonic-sound waves in the treatment of disease. I am not familiar with the findings, but that has been worked on in recent years. I have not utilized any such studies.

Cross Examination

Violet does not have any therapeutic value any more than blue. I have never taken a special course on color so far as therapeutical value is concerned, nor made any special research on that myself. I have studied the literature. I am not acquainted

(Testimony of Dr. Fred B. Moor.)

with the work of Kenneth M. Swezey, nor am I acquainted with the work of Dr. Harvey C. Rentschler. I know that ultra-violet rays are used for the destruction of bacteria. Ultra-violet ray is invisible. It is called violet because it is beyond the violet end of the spectrum. The ultra-violet rays are the same kind of waves as any other color waves that are in the so-called higher brackets. The ultra-violet rays do have some therapeutical value. I have not made any study of the effect of blue dyes for burns. I have heard of Robert Henry Aldrich of the Harvard Medical School. He is a man skilled in his profession and I would take his word as to the truthfulness of his findings on that. I haven't read his article in the Reader's Digest for November, 1941. Said article at page 97 of the November, 1941 copy of Reader's Digest was marked

DEFENDANTS' EXHIBIT CC

for identification. The article is condensed from Hygeia, a magazine well known in the medical profession. Whereupon, Mr. Cannon read the following from said artcle:

> "Back in 1933 Dr. Robert Henry Aldrich of Harvard Medical School started a search for a burn remedy that was crust-forming, non-scarring, and a [397] powerful germicide as well. He experimented with a variety of antiseptics, finally coming to the aniline dyes. At last he produced an effective combination of

(Testimony of Dr. Fred B. Moor.)

three different dyes: crystal violet, brilliant green and neutral acriflavine. Using this mixture on burned patients in Boston City Hospital, he has reduced mortality in serious burns from 34 percent to 8 percent."

I am familiar with the triple-dye treatment. It isn't the color that cures the burns. These dyes are astringent and lessen the excretion of fluid from the germs. Besides the purple, blue and aniline dyes, there was mentioned the acriflavine dyes. They are yellow.

Q. Could any other kind of dyes be used equally as well for curing burns?

A. Yes, red dyes like mercurochrome. Mercurochrome doesn't have the other effects of the dye, that is, it doesn't have the astringent effect of the dye as the triple-dye treatment has. In the dyes there are certain organisms that take up certain dyes. They take up purple dye, and the fact that they absorb the dyes kills the organism. It isn't the color of the dye, itself. The color of the dye is a property of the dye. The purple dyes do in this triple-color treatment what other dyes won't do, but not from the basis of color. I say that because they have this astringent action which is just as important in burns as any other property. It is true that Lavoris has a mild astringent action; it doesn't have the same effect as purple and aniline dyes.

I am not familiar with the address of Dr. Robert Henry Aldrich at the American Medical Association

(Testimony of Dr. Fred B. Moor.)

convention held in June, 1941. Thereupon, an article from "Time" of June 16, 1941, was marked for identification as

DEFENDANTS' EXHIBIT DD. [398]

"This press story of last week might have been the text for a lecture on burns which Harvard's Dr. Robert Henry Aldrich gave at the A. M. A. Convention.

* * * * * * *

"At the Cleveland meeting last week, he urged his colleagues to try his purple and green dyes. In Boston City Hospital, he reported, he has reduced the mortality rate from serious burns from 34% to 8%.

* * * * * * *

"As soon as the dye covers his exposed nerve ends, all pain stops.

"As fast as one coat of dye dries, another is applied, until the patient looks as though he were covered with a light, flexible coat of purple leather. Then he is kept at a temperature of around 85 degrees F. The dye protects the raw flesh, and kills all bacteria."

The Witness: I know that color is used in psychiatry to a certain extent. It is the color that has the quieting effect upon the nerves. It does have some therapeutical value on nerves and I would like to call your attention to the fact that it is only

(Testimony of Dr. Fred B. Moor.)

through the medium of the retina of the eye that it has any effect.

Q. Does light blue in the treatment of nervous disease have any therapeutical value?

A. Blue in a room has some calming effect on the nervous system. If the walls are all covered with it, it does have a calming effect on the nervous system. Red has quite a reverse effect on people suffering from mental disorders. Through the medium of vision, violets, blues and the light yellows, and so forth, have a soothing effect upon the nerves. That is true [399] whether people are crazy or not, but they have to be more or less of a nervous temperament for color to have any effect upon them. I would not say that light pastel shades have any therapeutical value to one of your apparent mentality. The tubular mercury vapor lamp doesn't have a complete spectrum. It runs the full line of the spectrum but it doesn't have radiations. It has a lot of ultra-violet, for instance. It is short, however, in reds, oranges, and yellows. The color you see is mostly purplish and blue. It has a therapeutical value, but not from its blue color, but from the ultra-violet content of the spectrum. Ultra-violet radiations have long been a weapon in fighting disease germs. Very recently it has been discovered that by the use of the tubular mercury vapor lamp which gives off a violet color, that these death rays are projected into food to preserve it, but not from the standpoint of the violet color; from the ultra-violet radiations con-

(Testimony of Dr. Fred B. Moor.)

tained in the mercury spectrum. I say that without having made a special study of color, but I know something about colors from a study of the literature, which is classified as research by the way. Sound waves can be transmuted by stepping them up into light waves, and light waves can be transmuted into sound waves by cutting them down if you get them low enough frequency. The difference between a light wave and a sound wave is that a light wave is an electromagnetic vibration and the substance we visualize as ether, we think of as ether, and a sound wave is alternate condensations and rarefactions of the air. I wouldn't say that the only difference between a sound wave and a light wave is the speed at which it travels. There is a difference in quality entirely. A sound wave is a very short wave, very rapid vibration far above any of our sound waves, whereas a sound wave is just alternate condensations and rarefaction of the atmosphere produced by some vibratory motion, but you can transmute to the other by stepping [400] up or lowering the vibration. It isn't true that the only difference between sound waves and light waves is in the speed of the vibration, it is a difference in the rate of travel. The ultra-violet radiation in the rays given off by mercury vapor lamps has an effect on the human body. It is not exactly known how bacteria are destroyed by these rays. It is thought to be due to the vibratory action of the radiation on the organism. I suppose that is purely

(Testimony of Dr. Fred B. Moor.)

theory. It is theory, too, that it is the rate of vibrations which determines the therapeutic effect of rays. The statement "Color might be defined as a material which selectively absorbs radiant energy or that absorbs and which reflects various wave lengths of light which it does not absorb" is true. The statement, "In general, the emotional effects of color on man are: Reds and adjacent colors exert an exciting stimulating influence" is correct in so far as such colors have any physiological effect. Most of the effects of the reds and yellows and rays in that general part of the spectrum is heating and not from the color present. I think that the statement, "In general, the emotional effects of color on man in yellow is the exciting influence merges into a cheering influence and then begins to overlap a tranquilizing influence which extends from yellow-green through violet-blue and is gradually replaced by a subduing influence which extends from the blue through violet and into purple" is correct. I don't know whether the statement "with the exciting influence beginning to reappear in the mid-purples" is true or not.

Thereupon, it was stipulated that the following statement is correct: "Scientific studies are disclosing many secrets concerning color and practical application of this knowledge is helping the world to emerge from its drab cacoon into a butterfly-hued existence that might be well termed the age of color." I don't know whether plant life grown

(Testimony of Dr. Fred B. Moor.)

under a glass will be [401] resuscitated by putting it under a blue lamp. I don't know the effect of blues or violets in the stimulation or lack of it in growth in plant life. I wouldn't admit that color itself would induce sleep. They do put it in hospitals and in recent years there has been a great tendency toward decorating hospitals with light shades. It is true that a room in light colors is more cheerful, and from that standpoint has a psychological effect on the patient. By that, I mean a mental effect on the nervous system. We would have to concede that it is the color that does that indirectly and induces sleep. Color is one of the contributing factors to relaxation and sleep. (Tr. Vol. 16, p. 2475.)

Redirect Examination

I do not believe that the color red in the American flag has excitable effect upon a person.

Mr. Neukom read from Government's Exhibit 141, the September, 1938 issue of "The Voice."

I do not know of any color radiations that would be given off from the playing of Government's Exhibit 150-A of therapeutic value. I doubt if it would have very much effect to place a patient suffering from some sort of psychosis in a light blue room. I would not expect it to have any different effect than if he were placed in a rose color room.

Mr. Neukom read from Government's Exhibit 28, the August, 1937 issue of "The Voice," page 18, also from Exhibit 8, "Ascended Master Light," page 396.

(Testimony of Dr. Fred B. Moor.)

There is an infra red ray in physiotherapy treatments, which is not visible, just as ultra violet is not visible. It is used for treating people for various ailments. There is no detrimental effect in treatment of persons with mercurochrome because of the fact that it is red. In using ultra-violet, or infra red rays in the hospital, we use some sort of a lamp, which [402] excites energy from electrical current. Between ultra-violet and infra red rays, there are the so-called color rays. Of the color rays which I have mentioned, in my opinion, those near the middle of the spectrum, the blues, greens, and probably also the indigo and the violet are the least beneficial therapeutically.

Recross Examination

I am somewhat acquainted with photosynthesis. That is the name given to the manufacture of starch by plants. They get the light rays through their leaves. It is the color of blues, indigos and violets that stimulate the plant growth.

Mr. Cannon read from Government's Exhibit 28, page 18.

DOTTIE D. FOWLER,

being called as a witness in behalf of the Government, testified as follows: (Tr. Vol. 16, p. 2495.)

I reside in Seattle. I first heard Mr. and Mrs. Ballard from the platform in Seattle in 1935. Mr. Ballard stated during the class that Saint Germain

(Testimony of Dottie D. Fowler.)

was the authority of this planet for the next 10,000 years and that the three Ballards were his messengers. He told us of ascensions. He said there had been three ascensions in the United States and that he had witnessed two ascensions. He told us of his experiences in the Royal Tetons and in the Cave of Light. The Cave of Light was in India where he passed through this Cave of Light and had his body purified and came out with a purified body and a body of immortal endurance. He also stated that he had long since passed the age of three score years and ten. He told of precipitations, mentioned the cataclysmic activity that would come and the part that America would play in the coming golden age. They had a picture on the platform of Saint Germain, a large picture, the same one that is in "Unveiled Mysteries."

I had a conversation with Mr. Ballard concerning the figures on the picture of Saint Germain during the 1937 class in Seattle in the I Am reading room there. At first we had been [403] asked many times, and so I asked Mr. Ballard, and he said they were not permited to give out that information, Saint Germain hadn't given them permission. I first purchased copies of the publications "Unveiled Mysteries" during the 1935 class and put in orders for other books that were to come off the press, "The Magic Presence" and "The I Am Discourses." Thereafter, I established a reading room in Seattle, and remained in charge of it from 1936 to January,

(Testimony of Dottie D. Fowler.)

1940. Classes were held there by the Ballards in 1935, 1936, 1937 and 1938. Mr. Stickell and Mr. Cassiere conducted classes in Seattle. Mr. Stickell conducted his classes in May or June of 1939 and August of 1940. Mr. Cassiere was there in 1936. He has been there four or five times. He was there for a ten day class in 1939 and also 1940. When I say he was there, I mean he was conducting a class. I attended the Shrine class in June and July of 1938. Before the classes that were conducted in Seattle by the Ballards or by Mr. Stickell and Mr. Cassiere, I sent out pamphlets advising persons of their coming. I sent out from 5,000 to 10,000 for the Ballard classes. They were received from the Saint Germain Press. I paid the postage out of the reading room. I don't think over 1,000 or 2,000 notices were sent out to announce the Stickell classes. We paid for the mailing of those.

The Court: You have asked the witness if she paid for this, and the witness' answer is that "we paid for it."

The Witness: I have a way of thinking that myself and my higher mental body and Mighty I Am Presence are one, and I say "we." It is a habit of mine. So I will correct that. I mean I paid for it out of reading room funds or out of our personal funds if we didn't have enough from the reading room.

Mr. Lazarus: I believe you stated that they were mailed out with your own personal funds. How

(Testimony of Dottie D. Fowler.)

much money would you estimate that you put in the work of the I Am or Ballard organization [404] during your entire association from 1935 to 1941?

The Witness: It would be around $2,000. It was spent for paying rent, for books, for magazines, for pictures, charts, whatever was needed. I have read the foreword of the book "Unveiled Mysteries," stating:

> "I wish to say, that these experiences are as real and true as mankind's existence on this earth today, and that they all occurred during August, September, and October 1930, upon Mount Shasta, California, U. S. A.
>
> "GODFRE RAY KING."

That was one of the representations that caused me to buy the book "Unveiled Mysteries."

I read that portion of the foreword of "The Magic Presence" reading:

> "This book contains the second group of experiences which I was privileged to have through the Love and assistance of the Beloved Ascended Master, Saint Germain."

I believed that representation when I read it and it was one of the representations which caused me to devote my time, energy and money to this movement. I read that portion of "The Magic Presence" which states:

> "The retreats, people, and instruments which I saw and associated with while with the

(Testimony of Dottie D. Fowler.)

> Ascended Masters are real physical places and things and tangible living breathing beings. They were not imaginary or symbolic and are not to be interpreted in any such way."

I believed the truth of that when I read it and it was one of the representations that caused me to continue in this work and contribute money to this organization. When it was represented [405] in volumes published by the Saint Germain Press that Donald and Mrs. Ballard had actual physical adventures with the ascended masters, I believed that those defendants did have such adventures. It was in part on the basis of those representations that I continued to purchase books of the Saint Germain Press and devote my time, energy and money to the Ballard organization. The students of the I Am in Seattle put on radio transcriptions for the Ballard organization during my association with the group. I had charge of that work in Seattle in a way. Mr. Dahl handled that. Mr. Dahl was in Los Angeles, but he corresponded with me in Seattle. (Tr. Vol. 16, p. 2511.) The transcriptions went on every week for a year or two years. The last time the Ballards came to Seattle we had the transcriptions on. They had announced the fact that the Ballards were going to conduct a class in Seattle. The transcriptions before the Stickell classes announced the fact that he was going to conduct classes and the time and place. They were put on before the Cassiere classes, announcing the time and place.

(Testimony of Dottie D. Fowler.)

Prior to the Cassiere classes I had correspondence with Ted Dahl relative to what announcements should be made after the playing of the transcriptions and also as to what announcements that were to be made prior to the Stickell classes.

I was in Los Angeles in 1938 for the Shrine class. During the class I had a conversation with Betty Mundy regarding radio time in Seattle in the lobby of the Shrine Auditorium. Just the two of us were present. Mrs. Mundy told me the messengers were coming to Seattle, which we knew, and she wondered what the Seattle people were going to do about putting on seven broadcasts for Mrs. Ballard previous to the class, and she wanted to know if I would take the responsibility. I asked her, "What is the responsibility? How much will it cost?" She said, "That doesn't make any difference. Seattle must wake up. You are not [406] spending enough money up there. Look at the thousands of dollars they are spending in California and in New York, and you folks will just have to wake up and do something. Will you take the responsibility or will you not?" We had a couple of conversations along that line, just repeating that over and over again. Thereafter I arranged for personal broadcasts for Mrs. Ballard in Seattle. She broadcasted from the Music Hall during the class. Thereupon

(Testimony of Dottie D. Fowler.)

GOVERNMENT'S EXHIBIT 185

was admitted in evidence. Said Exhibit reads as follows:

"Lake Merritt Hotel,
"Oakland, Calif.,
"August 22, 1938.

"Mrs. D. D. Fowler,
"613 Orpheum Bldg.,
"Seattle, Washington.
"Blessed One of the Light:

* * * * * * *

"We are asking Mr. Dahl to send direct to the Station the proper announcement to be used on the regular transcriptions making mention of the coming class, so you need not be bothered with that—it should come through Mr. Dahl, and we will ask that he have it there for next Sunday's broadcast.

"Answering your inquiry as to whether Don and Marjory will be with us in Seattle, Saint Germain has requested that Don finish his flying before going East again, and this will necessitate his being in Los Angeles; much as they both would love to come to Seattle, but his flying time has been so interrupted, that he must now devote every minute to that.

* * * * * * *

"THE BALLARDS
"By MRS. G. W. BALLARD" [407]

(Testimony of Dottie D. Fowler.)

I recall Mrs. Ballard making the statement during the Shrine class concerning precipitation. She made the statement from the platform during the class. She said that she had precipitated jewels of light in her own hands, and that if she were cast on a desert island and she only had a glass of water and a toothpick she could precipitate anything she needed or wanted. (Tr. Vol. 16, p. 2520.) I had a conversation with Mrs. Ballard in her room at the Gowman Hotel in Seattle in 1938. Mrs. Ballard said, "We are not ordinary human beings. We may appear as that, but we don't dare tell the students who we are. When I can step up into my higher mental body, I can wield power without limit." She also said that she was going to ask Daddy Ballard that night to dismiss Catherine Rogers from the staff, that she would not go on the stage in the Chicago Theatre with Catherine Rogers. She also said that if Saint Germain would dismiss Catherine Rogers and release his radiation from her, that she would never be able to sing another note as long as she lived. Mrs. Ballard made the statement from the platform during the Shrine class in 1938, 'We have now—Saint Germain says we have a million people in this light, and by the first of the year we would have two million more, which would make three million people." She said, "Just wait until we have three million people in this light and see who governs the United States of America."

I was a group leader in the activity in Seattle and

(Testimony of Dottie D. Fowler.)

also had the reading rom. I received Government's Exhibit 186 in my capacity as group leader from the Ballards through the mail. Said exhibit thereupon was admitted in evidence.

I received Exhibit 187 as group leader through the mail from the Saint Germain Press. Thereupon Exhibit 187 was admitted in evidence.

I received Exhibit 188 from the Saint Germain Press through the mail. Thereupon said exhibit was admitted in evidence. [408]

I gave decrees at my I Am group meetings. They were given phrase by phrase. I would repeat a phrase and then the group would repeat it after me. I would read the phrase from my decree book. The students didn't have the books; they repeated after me. I received

GOVERNMENT'S EXHIBIT 189

through the mail. Thereupon said exhibit was offered in evidence. Said exhibit reads as follows:

"THE BILTMORE HOTEL

"Los Angeles, Calif.

"Oct. 8, 1940.

"Mrs. D. D. Fowler,

"'I Am' Reading Room,

"New Orpheum Bldg.,

"Seattle, Wash.

"Beloved One of the Light:

"I have been wanting to get a letter to you for several [409] days, but because of the

(Testimony of Dottie D. Fowler.)

Shrine Class taking up so much of the days it has been impossible.

"Word has come to us for sometime thru several different sources that the Seattle Students are not using their Decree Books in the Groups or issuing the Decrees the way the rest of the country are doing; that they are repeated phrase by phrase after you read them. I could not believe such a thing was possible and did not accept it at first, but since so many reports have come I must take action.

"The necessity of releasing the energy thru the Group reading the Decrees in unison at a rapid tempo is so great that I write to ask that you do this at once. This we have found releases so much more energy and gives each one an oportunity to be a part of the activity, so to speak.

"I understand you claim Daddy gave you permission to read them phrase by phrase, but that was before the new Loose-leaf Decree book came out. Now that these Loose-leaf Decrees are out everybody can have them and it is imperative that they be used the same as they are all over the country. I regret I did not know this sooner, for this is a powerful activity as you will find once you begin to use it.

"Our Beloved Brother Bill is coming up your way, as you doubtless know. I am glad he is going to give you a ten day class and this should help to stabalize the student body and

(Testimony of Dottie D. Fowler.)

bring peace and harmony; especially as you begin to give forth these Decrees with dynamic power. It is only thru the release of the energy that your city and America can be protected.

"Our Shrine Class closed with the usual Blaze of Glory, only with more intense action. So much greater harmony [410] was held during the class and so much more obedience given from the student body that it enabled much to be accomplished that has not been possible before. I know you must have felt the Radiance for it has been tremendous.

"This is not a scolding, but it is so imperative that these Decrees get into the atmosphere to save your city, as well as America. Not one moment should be lost in idle conversation or gossip, but every bit of energy should be put into those Decrees thru intense feeling and enthusiasm which releases a power that is not otherwise done. I know all will gladly cooperate with you in this as they are waiting for the oportunity to render this service. "My Love and Blessings enfold you always, and may that Light as of a Thousand Suns flood your beings and worlds, and the Mighty Herculese charge you with His Courage, Strength and Energy that you may go forth into your Victory in the Light quickly.

"Sincerely in the Light,
"MRS. G. W. BALLARD
"MRS. G. W. BALLARD (signed)"

(Testimony of Dottie D. Fowler.)

I received the decree book from the Saint Germain Press. I had between 300 and 400 decrees. I don't know whether they are all in the book or not. Thereupon said decrees were offered and admitted in evidence as Government's Exhibit 190. The pages were received from the Saint Germain Press. I paid two cents a sheet for them and placed them in a binder. I bought the binder for $1.25 from the Saint Germain Press.

Mr. Cassiere appeared in Seattle after the letter dated October 8, 1940 (Government's Exhibit 189) was received, and conducted a ten day class there. I had a conversation with him with reference to the manner in which the decrees should be given. [411] I showed him the letter and told him that Mr. Ballard had often said you could give the decrees either phrase by phrase or read them. "Well," he said, "you know why they want to read the decrees, don't you? So everybody will buy a decree book."

In the reading room and sanctuary in Seattle, I had the following material from the Saint Germain Press, Inc.: a large chart and flame-in-action. That cost $200 each. We had a small flame-in-action, which cost $50.00 plus express. The machine which you have in court appears to be a small flame-in-action. Thereupon, said machine was admitted in evidence as Government's Exhibit 191. In addition, we had a large chart, $15 chart, a large picture of Mr. Ballard and two smaller pictures of Mr. Ballard. The large picture was $25; the smaller ones

(Testimony of Dottie D. Fowler.)

were $2.50 or $3, I don't recall. The money for the large charts, the charts and the flame-in-action was given to me by one student. The rest of the money for the purchase of the other matter was from my personal love gifts from the students or their love gifts, or they would buy them and bring them in, the pictures. Some of my personal money was used for that. We also had volumes published by the Saint Germain Press in the reading room. I received them from the Saint Germain Press at the regular discount of 30%. I have also visited reading rooms in Los Angeles, San Francisco, and Oakland. They were all similar, as far as I know. I didn't go into their stock. (Tr. Vol. 16, p. 2553.) Government's Exhibit 188 was purchased from the Saint Germain Press. I do not recall its price.

I had two conversations, one in 1936 and one in 1940, with Mr. Cassiere in Seattle relative to his dismissal from the I Am work.

Exception No. 73

In 1936, he told me that Mrs. Ballard flew from California—I think it was to Cleveland—with a letter from [412] Saint Germain to dismiss him, and he said he challenged her and she said, "Why, Bill, how dare you challenge me." He said, "During the course of our conversation you just admitted that Saint Germain has been in Europe for three months and you haven't been in contact with him, so I refuse to be dismissed. I am a messenger of Saint Germain, ascended or unascended."

(Testimony of Dottie D. Fowler.)

Mr. Peterson: I am going to move to strike the answer of the witness upon the ground it is not within any of the issues of this case, and if there were any binding force at all, it wouldn't be binding upon anybody but Mr. Cassiere. It seems to me to show, if anything, a lack of concert of action and not the participation in the plan or scheme alleged by the Government.

The Court: Overruled. Exception.

The Witness: Mrs. Ballard made references from the platform to love gifts in the Shrine class in 1938 or 1939, possibly both. She said that Saint Germain knew every piece of money that went into the love gift box and knew who put the money in and the motive that was back of the gift. Mr. Cassiere autographed certain books in the Seattle class of 1936. He said of these books there would be a different radiation than the other messengers, of course, but he had lived in the home of the messengers and close to Saint Germain, and his radiation would mean a great deal in autographing the books. We had boxes out in the lobby for love gifts during his class. The love gifts would be placed in the boxes. I gave him $200 at the conclusion of the class. The money was clear to him. He asked me if that was all he was to get and I said yes.

Exception No. 74

I sent Government's Exhibit 192 to Mr. Dahl, on or about April 30, 1939.

(Testimony of Dottie D. Fowler.)

Mr. Cannon: Objected to on the ground that it is hearsay. [413]

The Court: Overruled. Exception.

GOVERNMENT'S EXHIBIT 192

was received in evidence and reads as follows:

"613 Orpheum Building
"Seattle, Washington
"April 30, 1939

"My dear Mr. Dahl:

"We are to have the privilege of having Paul Stickell for a ten day class here in Seattle, and Mrs. Ballard has given her permission for an announcement to be added to our transcription program.

"Mr. Stickell has just written me, requesting that I get in touch with you, asking you to send to KOL, the announcement of his coming. As he has said, the time is short, and we will both greatly appreciate your sending the announcement to KOL immediately. The information is as follows:

"Place: Moore Theatre
Second Ave. and Virginia St.
Seattle, Wash.

"Time: June 9 to 18, 1939 Inclusive
EXCEPT Friday, evening,
June 16, 1939
Twice Daily,—1:30 and 7:30

(Testimony of Dottie D. Fowler.)

"Will you let me know when you have sent the above information to KOL?

"Thanking you, I am,

"Sincerely yours,

"MRS. D. D. FOWLER"

Mr. Stickell autographed books at the class in Seattle. He said concerning the autographing of books that he was an appointed messenger and it was different from radiations of [414] the accredited messengers, and there was a certain blessing registered in the book when he would autograph the books. Mr. Stickell said during the class that if anything happened to Mrs. Ballard the whole planet would go down. (Tr. Vol. 16, p. 2581.) Mr. Stickell said during the 1939 class that there would be no war in Europe, that Saint Germain would keep war out of Europe.

He told us how the sinister forces had tried to keep this light from going forth. He stated in Chicago whenever he would have his plate set before him or try to eat, the sinister force would project poison germs over his food and that they resembled little black flies, and it would take him an hour to dissolve them by pouring light on his food so he could eat it, and the food would not poison him.

Mr. Peterson: I couldn't tell what the answer would be. I move to strike it upon the ground it is not germane to any issue in this indictment. It doesn't tend to prove or disprove any possible fact with which we are here concerned. There is nothing

(Testimony of Dottie D. Fowler.)

in the indictment relative to any such conversation at all.

The Court: Overruled.

The Witness: He was just telling of the struggle he had in the beginning, how the sinister forces tried to put out their light and try to keep them from carrying this light by poisoning the food. It was stated by him that the black germs were in the invisible plane. I believed the statement at the time it was made, and it was one of the many statements which caused me to continue in this movement, to devote my time, money and energy to the work. I gave Mr. Stickell $350 for the ten day class in Seattle. I did not pay any of the rental for the group. The workers for this Seattle class were not paid. They worked gratuitously. [415]

I received

GOVERNMENT'S EXHIBIT 193

through the mail on or about the date it bears. Thereupon said Exhibit was offered in evidence. Said Exhibit reads as follows:

"Biltmore Hotel
"Los Angeles, California
"March 15, 1940

"To The 'I AM' Reading Rooms and
Group Leaders

"Beloved Ones of the Light:

"* * * * *

"Remember we stand absolutely one hundred percent with the Books of the Saint Germain

(Testimony of Dottie D. Fowler.)

Series, the 'Voice of the 'I AM'' and the Dictations given thru our Beloved Messenger, Mr. G. W. Ballard. Anything else has no place in this Activity and is not coming from the Ascended Masters.

"Recently several purported dictations, (of which we have copies) claiming to be from Saint Germain and Our Messenger, have been circulated and some published. I again wish to go on record and state Saint Germain's own statement made publicly from the platform in several dictations as early as 1936 was that whenever He or any of the Ascended Masters chose to dictate or give information or instruction thru any other channel than His Messengers, Mr. and Mrs. G. W. Ballard and Donald, He would first advise the Messengers and the student body. No such corroboration has come from Him—His Word is good enough for us, how about you!"

"We leave it to every student to choose that which he or she wishes to accept and read. Each has free will, but if after being prompted, having studied and been under this Radiation, you claim to be a Group [416] Leader, yet have not called forth Ascended Master Wisdom and Discrimination enough to detect these things and you fall for them because they are claimed to be genuine, you truly are not a Group Leader. If

(Testimony of Dottie D. Fowler.)

thru the lack of sufficient understanding you accept those foolish things, then you are of no value to Saint Germain, This Work, to us in carrying it thru to Victory, or the protection of America.

"The book—'I AM America's Destiny' recently published by Bob LeFevre and Pearl Diehl is not authentic and was not dictated by Saint Germain, nor did I ever approve of it. Saint Germain has never told us he was giving Dictations to Bob LeFevre. His promise given to us before at least four thousand Students at the Shrine Auditorium in December 1936 is the Authority which I obey and I shall never accept the word of any human being against the Word of the Ascended Master, whom I have obeyed for ten years and who has given this priceless Gift of Truth and Light thru our Beloved Messenger for the freedom of mankind. His Light and Instruction to mankind shall not be desecrated,—mis-represented, distorted or contaminated by any human being nor group of them. We shall tell the Truth at all times and that which is not the Purity, Truth and Perfection of the Ascended Masters, including our Beloved Messenger, Mr. Ballard, shall never have acceptance by us nor those who really serve the Light.

"This book is not to be sold or permitted within the Reading Rooms nor Sanctuaries of

(Testimony of Dottie D. Fowler.)

this Ascended Master Instruction of the 'I AM' under Saint Germain. Any Group Leader or Student who reads or accepts it as coming from Saint Germain will have his or her card [417] taken up and be removed from This Work.

"Every student is on the spot and will reveal himself or herself thru his or her own decisions, and whether or not such persons remain in this Activity and are permitted a card to our classes remains with each one. We do not make the decisions, but each one reveals his or her motives and removes himself or herself. Every individual who is not a million percent loyal in his heart to this Light will sooner or later take himself or herself out. The Cosmic Light is revealing these things and as It continues to increase, none can longer hide their secret motives, whether known or unknown outwardly to the individual.

"* * * * *

"We call the Infinite Powers of Light into action to surround each 'I AM' Student with a Wall of Blue Flame and give him or her invincible protection against all nefarious activities and see that not one fails; but that each stands in, to, with and for his or her own 'Mighty I AM Presence' and go forth to Victory. May the Light within you be strong

(Testimony of Dottie D. Fowler.)

enough to reveal to you the Truth, then see you obey Its Direction.

"* * * * *

"Lovingly in the Service of the Light

"MRS. G. W. BALLARD

"DONALD BALLARD

"MRS. G. W. BALLARD"

I received

GOVERNMENT'S EXHIBIT 194

through the mail on or about the date it bears. Thereupon Exhibit 194 was offered and received in evidence. Said Exhibit reads as follows:

"Biltmore Hotel

"Los Angeles, California

[418]

"Sept. 12, 1940

"Beloved Students of the Light:

"While the letter of Saint Germain's Council is going to you, I take this opportunity of sending you my personal Love and Blessings and presenting certain information which I know will delight all.

* * * * * * *

"Because of the heavy duties to be performed it has been impossible to get out the Group Leaders' Letters as was intended, but recently another means of reaching the students weekly has developed, which we feel will be

(Testimony of Dottie D. Fowler.)

far more effective and release a Radiation and assistance that the letters could not do.

"I shall make a weekly Record, similar to the Transcriptions which will contain a thirty-minute talk, setting forth the important things each week and giving the student body a resume of what is required to meet the conditions of today. This Record will require a Play-back which we are now working out and expect to have ready within the next few weeks, and as soon as the students secure them I will begin making the Records and send them thru by express.

"The cost of the Play-back will be approximately $125.00 and the Records $3.00 each. These Play-backs may also be used to play the regular Victrola Records. The Play-back and Records may be retained by the Groups for their continued use and Blessing, but it is always understood they remain the property of the Group and not of some individual or Group Leader, and are not to be used except in Group Activities. This is true of everything purchased with money donated by the students for the Group Activities. Everything purchased by the Group remains the property of the Group and not the Group [419] Leader.

"* * * *

"A lot of new Decrees will soon be released

(Testimony of Dottie D. Fowler.)

—perhaps 40 or 50 pages. Please keep this in mind and place your orders for same.

"We hope to have our Beloved Victory's Song, containing His Picture on the cover ready before the close of the Shrine Class. Orders may be placed for this also.

"* * * * *

"With the increasing demands upon our time, the extra work which has been necessary to combat vicious destructive forces and the great need for America's protection, it has been impossible to do more than has been done. I appreciate the patience and loyalty of the Student Body, and now want to show that appreciation by sending my voice into your midst every week.

"* * * * *

"Sincerely in the Service of the Light,

"MRS. G. W. BALLARD AND DONALD

"MRS. G. W. BALLARD & DONALD (Signed)"

I received Government's Exhibit 195, the mimeographed letter marked "copy" addressed to "My dear Mary Ketcham" through the mails on or about the date it bears, October 3, 1939. Thereupon said exhibit was offered and received in evidence as Government's Exhibit 195.

Thereupon three copies of "The Voice of the I

(Testimony of Dottie D. Fowler.)

AM" for October, November and December of 1940 were offered and received in evidence without objection and marked Government's Exhibits 196, 197 and 198, respectively.

Mr. Lazarus read from Government's Exhibit 197, the November, 1940 issue of "The Voice", page 4 and page 18, et seq.

Thereupon, an I AM fundamental group instruction, [420] Book No. 2, Government's Exhibit 199 was identified by the witness and offered and received in evidence.

Cross Examination

I left the I AM activity on January 15, 1941. I turned over my records to the Post Office Department several months after that, in December, 1941. I delivered them to Mr. Van Meter. I brought them down here under subpoena. I don't think I had correspondence with Mr. Van Meter between the time I left the work and December of 1941 when I brought the papers here. Mr. Van Meter first contacted me concerning my appearing as a witness two or three months before December of 1941. I don't know when he contacted me. I did not communicate with him first. I have had evidence of the effect of this work upon myself when we were sending out love blessings and forgiveness to all mankind and were trying to live up to the I AM discourses where we shouldn't have a feeling of mild dislike to anyone and sending love to anyone who harmed us in any way, never to go to sleep at night

(Testimony of Dottie D. Fowler,)

until we had; and, of course, I had practiced that before I came into the activity and I received much blessing and forgiveness in coming in and practicing it. I did receive many manifestations of the blessing of this manifestation, of course, of sending out love and blessings, and I have received many lovely things since then. We also accepted radiations from other classes. We felt that it was a radiation that we received. It benefited us. Any radiation from love and blessing is a benefit.

I was a group leader in Seattle in 1937 and I recall when we tuned in on the class being held in Boston and we found that the greatest waves of joy and happiness swept over us, and in any other class, if we would all get still in the class and send out our love and blessing, that it would all come back.

Q. Now, you also received, did you not, certain inner instructions from the ascended masters themselves? [421]

A. Please explain that.

Q. I call your attention to this letter of November 15, 1939, the fourth paragraph thereof, written by you, and you say this:

> "In my last letter I sent you a clipping concerning the meteor that was seen here. At this very same time I was awakened from a sound sleep, my body vibrating from head to foot. I was conscious of some inner instruction with the masters. I awakened giving mighty decrees. This was a most joyous experience."

(Testimony of Dottie D. Fowler.)

By the inner instruction mentioned in the letter, I meant that great joy and exhileration. I found that in applying the law of love and blessing and throwing out love and blessing and forgiveness to everyone that I, not only myself but others, really received benefit from that part of the law that they set forth. I attributed that when I was with the movement to my call to my own Mighty I Am Presence and to Mr. Ballard and to Saint Germain. I called to them and to many, many of the ascended hosts, the angelic hosts, the cosmic being, the Gods and Godesses of the Universe. There is a law that when one does that, things theretofore unknown are revealed to you about things on the ordinary mundane plane. I found that while I was with the movement and you will find it in or out of the movement. I believed what Mr. Cassiere said concerning the radiations resulting from autographing the book. I don't put as much strength or as much blessing in it now as I did then. I find that the radiations from the Mighty I Am Presence, as they call it, or God Almighty come to us. We can bless our clothes and our own books. It isn't necessary for someone else to bless them for us. I believe even now that certain radiations come from autographing a book or by anyone's personal contact with me. I don't know that I have ever made the decision that Mr. Cassiere's statement [422] of 1936 was not true. I believed Mr. Stickell's statement concerning autographing the books. I don't

(Testimony of Dottie D. Fowler.)

know whether or not I believe that statement true or false. I hadn't thought of it until you mentioned it. I don't think anyone's autograph in a book means very much. I don't believe now that it is as true as I thought at that time. I believed what Mr. Stickell said concerning Saint Germain preventing a war in Europe. When the war started I just pigeon-holed that idea. I didn't dare think of it because doubt is disintegrating. You don't dare to doubt. I didn't think about whether it was true or false. I pigeon-holed it. Mr. Ballard didn't say that it was his higher mental body that had eternity when he stated that he came out of a cave of light in India with the body of immortal endurance. He told me that it was the physical body that you saw right there. I believed the statement but came to the conclusion it was false when he passed on December 29, 1939. Thereafter I continued in the activity for a year and a month and conducted the reading room in Seattle and promulgated the teachings of the I Am. In the meantime, you know, Mr. Ballard has said many, many times from the platform that he and Mrs. Ballard would stay right here in this physical octave with the students until the ascended masters would step through and take over the Government of the United States of America and usher in the golden age, and, of course, that was something I didn't understand. I pigeon-holed that. That didn't look right and it was just paralyzing to know that Mr. Ballard had passed on when he was

(Testimony of Dottie D. Fowler.)

going to stay with us and still I just hoped and hoped—I knew that the teachings and the I Am Discourses, the law of love and blessing, was all right, and maybe just something I didn't understand, and I was willing to wait to be enlightened on it.

I came to the conclusion in December 1939 that Mr. Ballard's statement about his being immortal was false, and perhaps [423] I didn't understand it as well as I might. It is a hard thing to think about, I will tell you; when you are seeing people that are immortal and not going to pass out, and see them go, naturally it was a shock to us. After December 29, 1939 and after I came to that conclusion, I persisted in the teaching of the I Am doctrines. You see, there was a new dispensation. I had come to the conclusion very definitely in December 1939 that he had made a false statement, but then they were the law and I possibly didn't understand the law. They would say in every class that they were the law. I was under the law and they were the law, so of course I didn't understand. They said in every class that it was through them that these things were going to be accomplished. They also told us that we had to work it out ourselves. We had to apply the law and they would assist us in applying the law.

Mr. Ballard did not dismiss Catherine Rogers the night that Mrs. Ballard said she was going to ask him to. As far as I know she was dismissed in July

(Testimony of Dottie D. Fowler.)

of 1939. Mrs. Ballard said that she would not go on the stage with Catherine Rogers in Chicago, but I know that she went on the entire tour with the Ballards from Seattle clear across the country, including Chicago. She didn't mention that she would dismiss her, but that she would have "Daddy" do so. I believed the statement made by Mrs. Ballard that if Saint Germain would dismiss Catherine Rogers and release his radiation from her, she would never be able to sing another note as long as she lived. I heard Catherine Rogers dismissed by Saint Germain in the Shrine class of 1939. I never heard her sing after that until recently—since I have been down here. I went to a service with her where she sang. I would not say that I have been visiting with her since coming here.

In December 1940 I wrote the following to Mrs. Ballard: [424]

> "I love the light more than anything else and I will always be an I Am Student, whether I am recognized or not. I know that love and love alone and enough love, can lift me into the Perfection I once knew."

An I Am student isn't a Ballard student. I had never heard of the movement before I had heard of the Ballards but I have read much on the I Am. I don't know whether I meant the Ballards' I Am movement when I used the "I Am Movement" in the letter or not. I mean that I am an I Am student. I still am. So are you. I remember the instruction

(Testimony of Dottie D. Fowler.)

contained in Government's Exhibit 187, on page 11:

> "Do not try to take this ascended master instruction into your old teachings to bolster up any old activity. It draws terrific reactions. Do not try to be a group leader and straddle the fence. Be honest, and if your experiences are not proof enough to you, go your way with your blessings and forget it."

I followed that instruction to the best of my ability. I don't know that my failure to follow the instructions was one of the reasons I was dismissed. I was dismissed because the groups were disintegrating. I asked for a letter and said that I would give up the activity if Mrs. Ballard would so state. She said the groups were disintegrating in Seattle and they should be growing. I knew that to be a fact. After we closed the groups many people wouldn't sign a card to come in that would have come in before, and when we had to stand at the door and look people over from head to foot to see if they had any shade of red such as wine, or henna or maroon or black, they didn't like it. They couldn't come in if they had any of those. We had a morgue outside where the men took off their ties and their shoes. We tried everything to get them to take off their shoes and there was such confusion [425] and the people would get so mad if they couldn't wear the colors they wanted to. Many people were working in stores where they had to wear black and they

(Testimony of Dottie D. Fowler.)

didn't have time to go home to change their clothes before coming to the meeting and they couldn't come to the meeting with their black clothes. That was after the classes were closed, after Mr. Ballard passed on in 1939. I can't say what month. They told us to close the classes and we had to close the classes and interview everyone. It was up to me to judge whether or not they were sincere enough to give them a card. What I meant by closing the classes was that prior to the time we closed them in 1940 anyone could come to a study group meeting that wanted to come. After Mr. Ballard passed on, I had to interview everyone personally to determine whether I felt they were sincere or not. Then I could issue them a card and they had to show this card at the door. Many people who attended the group meetings before wouldn't sign. They didn't want to join anything, because they said, "We have been told organization is limitation. This will never, never be organized." So when it came to signing up—people had to sign a card to come in—and you had to talk to them to find out if they were sincere, if they had a set of books, you know, just interview them. That caused a lot of trouble and many people, and lovely people, refused to come. I was in favor of that. I tried to the best of my ability to follow the instruction contained in Government's Exhibit 187, that "at no time should anyone ever attempt to explain or elaborate upon the teachings in the Saint Germain

(Testimony of Dottie D. Fowler.)

series or the Voice of the I Am." I wrote the letter of November 17, 1938 to the Ballards and received the reply dated December 2, 1938 from the Ballards, which letters are marked

DEFENDANTS' EXHIBIT HH

for identification. Mr. Cannon thereupon read portions of the letter of November 17, 1938, a part of the portions read being as follows: [426]

"When I saw Mr. Stickell in Tacoma, I invited him to Seattle; and I hope the Mighty I Am Presence, and Saint Germain will see fit to let him come here some time in the future."

"For some time now, I have had the urge to bring up the sex activity in the closed class; for I am certainly convinced the last enemy to be destroyed IS sex. So, last Thursday night, I took off my gloves, and I brought out the necessity of conserving the sex energy. And, oh boy, did I stir up a hornet's nest. I found out, to my surprise that one of our dearest girls had secretly married, a few weeks ago,—saying she 'knew what she was doing.' While I did not know of her marriage, I had noticed a change in her expression, that puzzled me. Anyway, she took offense, thinking I was spanking her, when I didn't know of her marriage, at the time, at all. I did not discuss marriage,—nothing either for nor against, I

(Testimony of Dottie D. Fowler.)

simply reminded them of the law concerning the conserving of the sex energy.

"Three days later, Miss Thompson, the leader of the Young People's Group, came and put me on the spot, telling me what 'her' youngsters had discussed with her, and she agreed with them. I told her, I only gave the law. The following is what she said to me. Of course, it is what the youngsters have expressed to her; but again I repeat,—she agrees with them:

Mr. Ballard says it is O.K. to get married.

"It is all right to marry because Don and Marjorie are married.

"They feel they can do better work together if married, than apart. [427]

"Each has certain qualities predominating that the other needs for inspiration. (Twin Ray)

"The goal of all youth is to marry and have a home of their own.

"They don't want to live with their parents all their lives.

"It is O. K. to marry an I Am student and have babies.

"It is O. K. to marry if you have separate bedrooms.

"What about the propagation of the race?

"I feel the youth have been encouraged to look to companionship and marriage first of all, instead of to the Ascension.

(Testimony of Dottie D. Fowler.)

"Miss Thompson said to me: 'You can't take everything away from youth, and everything else has been taken away. Why take this?'

"I was truly shocked, not knowing at the time I brought up the subject, just why I did it, except that I had such an urge to do so.

"Miss Thompson is really a darling,—a wonderful student, the youngsters love her and this is a vital question for her to call to the Presence to handle.

"As I said before, I did not advise anyone to marry or not to marry,—I only stated the law. The youngsters and Miss Thompson both think separate bedrooms solve the whole problem. She told me only word from you Messengers will satisfy them on this subject. So, my Dear One, in one of your many (?) spare moments,—please answer me, won't you?

"One girl in the Youth's Group,—Ruth Welch, who is sixteen years old, wanted her freedom, so she left home last spring, and she hitch hiked from here down thru Arizona, Nevada, back to New York and down to Florida. She had only a few cents and of course, she associated with the most questionable characters. At last she wrote her parents, and they sent her a ticket to come home. She is back now, in the group again. She resents and will [428] not accept discipline in her home."

Thereupon, the letter of December 2, 1938, which is a part of

(Testimony of Dottie D. Fowler.)

DEFENDANTS' EXHIBIT HH

for identification was offered and admitted in evidence. Said letter reads as follows:

'December 2, 1938

"Mrs. D. D. Fowler
"613 Orpheum Bldg.,
"Seattle, Washington.

"Blessed One,

"So glad to hear all the good news about Seattle.

"With regard to any imaginary trip to Seattle on our part we enclose herewith a schedule of coming classes from which you can easily see it will be impossible to visit Seattle until after next July at the earliest, much though we love you precious ones and long to do everything possible for your blessing and protection.

"We have very carefully gone over your comment regarding marriage and what was said about it by Miss Thompson the leader of the young people's Group, in which you quoted some specific statements regarding marriage with the explanation that Miss Thompson agrees with these statements. Unfortunately the remarks are such that our comment must be that we also agree with them, with some minor reservations and qualifications as follows:

"It most assuredly is 'O.K. to get married'

(Testimony of Dottie D. Fowler.)

provided the individuals are sincere, understand the Law and feel directed by their 'Mighty I Am Presence' to do so. There is nothing in this Law forbidding marriage. The 'Mighty I Am Presence' of each individual is the Directing Intelligence of their life and we cannot be concerned about the activities of individuals with regard to such [429] matters. Remember the carrots and radishes."

(Mr. Cannon states: "I digress to read from the 'Ascended Master Light,' which is

GOVERNMENT'S EXHIBIT 8,

page 394, et seq.)

"Oh let us not yield any longer to discordant things of any kind! Remember that within all Life, everything is loving, kindly co-operation. In all life, in all Nature, does the apple tree interfere with the oak? Does the cherry tree interfere with the peach? Is there not a magnificent Law of selection? Does the tomato interfere with the potato? Does the radish interfere with the carrot? Then, the Selective Law, now mark you this is tremendous, if you get the point! the Selective Intelligence which is acting throughout Nature is what is ordinarily termed a mass consciousness. While it is directed largely by the Maha Chohan, yet it acts with definite precision. Why? Because

(Testimony of Dottie D. Fowler.)

the carrot does not interefere with the radish. It does not try to. You know you are far more important than the radish, and the carrot.

"Notice, we are getting down to brass tacks, as you say. Now notice! These are powerful things, dear ones, and once you get this in the feeling consciousness, you will never let go of it in the world.

"That which is acting as a mass throughout Nature, is far less powerful than the Intelligence of your Presence acting through you, is it not? Is there any comparison? Then, why do you not have the same result that the carrot and the radish do? Because you are constantly interfering with each other. Do you not see that? Your human desire to dictate to another person and tell him what to do, when and how to do it, is the thing that plays the havoc in the human [430] world. If you could be like the carrot and the radish not wanting to interfere with each other, think! how wonderful your Life would be—filled with beauty, harmony and perfection."

Continuing with the letter from Exhibit HH.

"It is foolish to refer to the marriage of Don and Marjorie as having any bearing on the subject. Each individual represents a case all by itself and because it might be right or wrong for one couple to be married would have

(Testimony of Dottie D. Fowler.)

no bearing on the marriage of any other couple.

"There are some who indeed can do better work together if married than apart. There are others whose value as a channel of service to the Light might be impaired by marriage because it might take too much of their attention from their service to the Light.

"No one should allow any consideration of 'Twin Rays' to effect their decision regarding marriage unless they had the direct assurance of an Ascended Master that the individual involved were indeed Twin Rays.

"It would certainly be a mistake to feel 'that the goal of all youth is to marry and have a home of their own.' Each individual must be be free to set up their own goal. Those who are sincere students will no doubt consider the Ascension as being the supreme goal.

"It is quite understandable that young people should desire to not live with their parents all their lives. Many times it is impossible for them to express their own 'Mighty I Am Presence' in action until separation from home conditions is achieved.

"It most certainly is 'O. K. to marry an 'I Am' student [431] and have babies.'

"There is no Law in this work against the propagation of the race. The Law regarding the conservation of sex energy is that it shall not be wasted. The use of it for the purpose

(Testimony of Dottie D. Fowler.)

of furnishing the means of physical embodiment to one who needs such embodiment is most certainly not a waste.

"Provided other conditions are right it is O. K. to marry if you have separate bed-rooms or if you don't. Remember there is no prohibition of marriage in this teaching.

"As you can readily see it has been necessary for us in compliance to the Law of this Work to seem to be more definitely in agreement with Miss Thompson than otherwise, because the statements made were definite statements and the point wherein Miss Thompson may be in error may be rather a matter of attitude than statement. One who might have the wrong attitude or feeling about this situation might easily interpret the above statement of the Law as encouraging young people to get married. Such would indeed be a mistake, for the danger with young people is that they are living in a world where the human qualification of many ideas, situations and feelings is indeed charged with the feeling that sexual relationship is the logical, primary objective of life. Because of this mass qualification it is necessary that they be constantly on guard to see that human qualification does not drive them into marriage. It is often difficult for young people to distinguish between Divine Love and sexual attraction and it is very easy for them to allow

(Testimony of Dottie D. Fowler.)

their human intellect to build up a case in favor of an action which [432] is actually the direct result of human physical sex attraction. It is clear indeed that a marriage which is the result of sex attraction would no doubt in the very great majority of cases result only in disaster so far as the expansion in the Light of the individuals involved is concerned. We would most certainly discourage rather than encourage young people to think of marriage, for a marriage which would be in accord with the Law of this Work is a marriage which would be the result of long and serious consideration on the part of those involved and persistent dynamic application to be directed, each one by their own 'Mighty I Am Presence' to do the perfect thing, coupled with a determined refusal to allow human desires, emotions or suggestions to intrude and a basic determination to do only that which is most definitely in the Service of the Light. How different this is from the ordinary concept of marriage in which it is assumed to be the logical out-come of 'mutual' (sexual) attraction.

"Needless to say we have repeatedly warned the students and especially the young people against hitch-hiking. Nothing could be more vicious or destructive in its effect upon them. Any young person 16 years old should most certainly be fully obedient and under the close

(Testimony of Dottie D. Fowler.)

supervision and discipline of their parents, unless it might be that the parents were actually vicious and attempting to force the young person into a violation of the Law of Life which would interfere with the compliance on the part of the child to this Law.

"We feel it would be going too far for a Group Leader to be concerned about the personal affairs of the [433] students to the extent of refusing them membership in a 100% Group because of their attendance at food lectures. No doubt many thousands of students do many things which are very silly and foolish, but ordinarily membership in a 100% Group would only be withheld on the basis of a serious violation of the Laws of this Work.

"You don't know how happy it makes us to hear of the wonderful expansion of the Light in Seattle and of the fine response you precious ones are calling forth in the Minute Men's and your other Group activities. We constantly send forth to you Limitless Protection and Ascended Master Help in your Service of the Light.

"Our Love and Blessings enfold you always."

After I received that letter (the letter of December 2 from the Ballards), I did not still persist in talking about this sex business. I cut it out. I went back to the Ballards about it. I wrote the letter of August 20, 1939, which is a part of De-

(Testimony of Dottie D. Fowler.)

fendants' II for identification. I received a reply to that letter, dated September 28, 1939. Thereupon, the letter of August 20, 1939 was offered and received in evidence, marked

DEFENDANTS' EXHIBIT II.

"613 Orpheum Bldg.
"Seattle, Washington
"August 20, 1939

"Precious Messenger of the Light:

* * * * *

"Now for this next,—I had hoped, when I wrote you before on this particular subject of marriage, I would never have to mention it again; but since I returned from the Shrine Class, this matter has arisen again. [434]

"Mary Helen Briggs, one of the members of the Youth's Groups, and the one who started the agitation before, has secured a license to marry one of the boys in the Group. She is really a very lovely girl,—not vicious, but she has always had 'boys in her bonnet.' She is so desirous of having a husband and home, but the young man lives with his parents and is wholly dependent upon them for his living.

"Miss Eleanore Thompson, the Group Leader of the Young People, came to me regarding this. I think so much of Tommy, as we all call her, I hesitate to say anything that might seem

(Testimony of Dottie D. Fowler.)

critical. I have never known anyone who has such wonderful discipline with the youngsters, and who, at the same time, always keeps their good will. Nevertheless, Tommy came to me telling me the young people had talked to her, telling her they had taken up the marriage proposition with their Presence, just as Pearl had told them to do, and they felt they were doing the right thing in getting married.

"I asked Tommy, if they had really taken the matter up with their Presence, why they came to her for advice, after they were so sure they had received the okeh from the Presence.

"In talking to me, Tommy said she felt the human could not judge, that in the Golden Age we would all have homes, and she told them she thot it was all right for GOOD 100% Students to get married, if they had the right thot.

"Mary Helen has been the only 'sore thumb' in the group; and from time to time, has had to be disciplined for disobedience. If she really goes ahead now and [435] gets married, this will be the first marriage among students in our Youth Group, and what I want to know is,—have I the authority to ask her and her husband,—if such he becomes, to stop attending the Young People's Group, and to just come to the regular Group Meetings, which they both attend, in addition to attending the Youth's Group. Another thing, too, the young man is not

(Testimony of Dottie D. Fowler.)

only wholly dependent upon his parents for support, but his parents are both violently opposed to the I AM, and they have even threatened the Fowlers with a shotgun. And we, of course, are not responsible for their son's desire to marry.

"I told Tommy I would no more encourage anyone to get married than I would cut off my right arm,—that I would encourage them only to cut themselves free from all human creation and limitation and to attain their Freedom in the Light; and that I felt it was a very serious matter for a Group Leader to encourage anyone to marry. As Tommy is now attending the Oakland Class, I am just wondering if you feel like bringing up the subject of Group Leaders encouraging marriage.

"And I shall appreciate your letting me know at your very earliest convenience, just what I should do regarding letting Mary Helen and the young man attend the Youth's Group,—should they go ahead and use the marriage license they have secured. It doesn't seem to me it would be setting a very good example for the others, especially in view of Mary Helen's having been, from time to time, a disturbing element within the group. It was both Mary Helen and Tommy who confronted me before, with the statement that we in the I AM, are taking everything away from the young people, when it [436] is

(Testimony of Dottie D. Fowler.)

'natural' for them to marry and have homes and families.

"I shall await word from you, before I say anything, because I am calling my Presence into action, to keep me from making any mistakes in this matter. I do feel I need your advice.

"The atmosphere has certainly cleared since the receiving of those wonderful copies of letters; and the Students here are looking forward with great eagerness to Brother Bill's coming. We have arranged to take the Moore Theatre, from October 6 to 15 inclusive.

"The Seattle Students join with me in sending all our Love to you, to Mr. Ballard, your staff and all whose privilege it is to attend the Oakland Class. While we are not there in person,—we are all WITH you,—always.

"Ever in the Service of the Light,

"D. D. FOWLER".

Mr. Ballard said that when he and Mrs. Ballard came into this light they were "hitched," that is the expression he used, and they didn't advise people to get married. I can't answer "yes" or "no" whether or not I thought it was inconsistent with what she had said before. (Tr. Vol. 17, p. 2667.) Thereupon the reply to Defendants' Exhibit II was read in part by counsel for defendants, as follows: (N. B. Part of KK for Identification).

(Testimony of Dottie D. Fowler.)

"In comment regarding your explanation of the situation regarding Mary Helen Briggs and Eleanor Thompson, we can only point out that each individual is the decreer of their own life, each one is a Being of Free Will, each one Must be given the privilege of doing what they want to do—the privilege even of making all the mistakes they want to make (with the [437] understanding of course that this does not include the violation of rules and regulations for the conduct of Group activities, etc.).

"The Ascended Ones have never said that 'good 100% students' should not get married. They have never given the slightest indication that married people or newly married people should not be permitted to attend the Young People's Groups provided there is no other reason for their not being permitted to attend.

"We agree with you, of course, that it certainly would not be carrying out the Law of this Work for any 'I AM' Group Leader to 'encourage marriage,' for so often the desire to marry is prompted by human desires rather than any urge from the 'Mighty I AM Presence' of the individual, yet the full truth is that no sincere Group Leader who is fully living out the Law of this Work, will be concerned at all about whether any certain students do or do not marry. Serapis Bey was talking just as directly to Group Leaders as to other students

(Testimony of Dottie D. Fowler.)

when he spoke about the carrot and the radish. We cannot imagine how any carrot could be concerned about whether or not a radish married.

"Any Group Leader who allows themself to become involved in such matters with a student is placing themselves in the gravest danger, of undertaking to direct or suggest what the other individual should do. This is something which we never permit ourselves to do because we appreciate so fully how great a violation of the Law it would be.

"When any student or Group Leader comes to us with such 'problems' we meticulously avoid saying [438] anything which could be construed as advising them in any way. If there is a question of the Law which they do not understand we explain the Law, but we cannot allow ourselves to be concerned as to whether they are obedient to the Law or not. Our attention is constantly being called to cases where Group Leaders and others are flagrantly violating the Law of Life in their own lives, yet we cannot allow ourselves to be concerned for one moment. Any Group Leader who does not rigidly conform to this same attitude of unconcern about the obedience of others in their private lives would certainly be setting up the cause for much difficulty and distress in the future."

(Testimony of Dottie D. Fowler.)

Prior to the receipt of Government's Exhibit 189 (letter dated October 8, 1940 from Mrs. Ballard), Mrs. Ballard had written to me or talked about not engaging or letting people engage in gossip or acrimonious discussion in the classes. There was no discussion in the classes. Mrs. Ballard had asked me to keep things harmonious as far as humanly possible in the group meetings. I received the letter of October 8, 1940 introduced in evidence, wherein reference is made "That no time be lost in idle conversation or gossip." I received the original of the letter dated May 10, 1940. Whereupon said letter was admitted in evidence as

DEFENDANTS' EXHIBIT JJ.

Said letter reads as follows:

"May 10, 1940

"Mrs. D. D. Fowler
"'I AM' Reading Room
"913 N. Orpheum Bldg.
"Seattle, Wash.

"Blessed One of the Light:

"I promised to write you and expected to have a letter waiting when you returned, but these have been [439] busy days, and only now have I found time to be quiet long enough to write a letter.

"After talking to you at the Shrine Class I have had several telegrams and letters asking that I do something regarding conditions in

(Testimony of Dottie D. Fowler.)

Seattle and give them a Group Leader who will issue the Decrees and not express their own opinions and keep talking and saying things which would be better left unsaid.

"Now my dear I know from experience how these things can start and get to revolving among disgruntled individuals, but I feel a sincerity in these letters and wires which 'I dare' not overlook or ignore. I am also aware that in every place where Group Leaders have not followed the Outline and have resorted to personal talking and discussions, they have all had difficulty, for personalities have crept in without their realizing it.

"The Group Meetings are for the purpose of going thru the Outlines as given and no discussion other than the necessary announcements pertaining to the work. This has not been followed in the past year I find, and much discord has driven in because of the lack of obedience to the Divine Director's request.

"As I stated in the Shrine Class we are revising the Outlines and all Groups in the future must stay with these Outlines and build the pattern at the Inner Level which the Divine Director can use for certain protection of America. I shall expect all Groups to do this, and please do not give voice to any more personal opinions, etc. If something is wrong, apply the Law and clear it out thru your calls,

(Testimony of Dottie D. Fowler.)

but do not harass the Students. This must not be done. [440]

"Many of the Students are carrying heavy burdens and they need kindness and a helping hand, and more of this must be expressed as the Cosmic Light increases, or disaster will ensue.

"I know you, Mr. Fowler and your daughter, will heed this prompting. I am conscious of the viciousness directed toward you, but you cannot meet that with anything but application of the Law. Most of that comes from without your midst and you need every one of those Soldiers of the Light to build a strong defense.

"Do not try to find out who sent the wires and letters, for I know their motive was right. The Students want peace and the out-picturing of the Perfection which should and could be.

"Accept my deepest Love and Blessings and know I send you the greatest protection I know how, and appreciate what you have done, but I dare not let such conditions grow, for with the expanding Cosmic Light it is dangerous; hence I write at length and give the prompting.

"May the Limitless Light and Love from out the Heart of Infinity flood your beings and worlds and give you Peace, Freedom and an Abundance of every good thing.

"Sincerely in the Light

"MRS. G. W. BALLARD

"....."

(Testimony of Dottie D. Fowler.)

The copy of the letter shown to me, addressed to Mr. D. D. Fowler, dated May 24, is not mine. There is no Mr. D. D. Fowler. I did not get that letter. I have read it but it wasn't to me. I read it a few days after it was received. It was intended for Mr. Fowler, but they had the wrong initials for him. My personal office was at 613 Orpheum Building on May 24, 1940. [441] Mr. Fowler had no office there. The letter came to him at that address. We received mail there. Thereupon said letter was marked Defendants' KK for identification. (N. B. Second part of KK)

I wrote and transmitted Defendants' Exhibit LL to the Ballards. Thereupon said exhibit was admitted in evidence. (N. B. It was P. S. to Exhibit MM, dated June 28, 1939.) It reads as follows:

> "I remember telling you the students are afraid to come to me with any gossip. I stay away from them not inviting any gossip or human opinions or suggestions. However one of our most devoted students (To the Light) said to me yesterday quote 'I am so *greatful* & it was so wonderful the Goddess of Light mentioned you in the Oakland Class, as it seemed to settle some of the agitators, who are either looking for sympathy or for trouble.' I asked who are they? (quote) She hesitated a moment & then said the Loyds & some others—you recall Mr. Loyd the former group leader for the Minute Men & his wife Mrs. Loyd. Frank Van-

(Testimony of Dottie D. Fowler.)

derhouer will remember the lady at the information table here at the Music Hall theatre was Mrs. Loyd. She was a 'Problem Chile' he will recall—God Bless you & 'The Goddess of Light' forever. I always find help & protection come at the right time.

"Also that the more determined we get—The greater the determination of the Sinister activity to test our determination.

"Thanks a million—

"D.D.F."

Thereupon,

DEFENDANTS' EXHIBIT MM

was admitted in evidence. It reads as follows:

"613 Orpheum Building [442]

"Seattle, Washington

"June 28, 1939

"Blessed Ones:

"I want to take this opportunity of thanking Saint Germain and you for sending Paul Stickell to us. His loyalty to Saint Germain, to you and to the Activity has been an inspiration to us all.

"I am attending the Shrine Class. Wanted to arrive a few days ahead of time, but due to the sinister force trying to disturb the students, before, during and after the Paul Stickell Class here, I am staying here until the last minute.

"Mae Kovac, a former Christian Science

(Testimony of Dottie D. Fowler.)

practitioner, and about whom I have written you before, placed the Paul Stickell announcements in one of the bus stations here, with the Christian Science literature; and this started the whole disturbance. One especially vicious practitioner passed on last week.

"The Adams group, of not more than a dozen people, had about folded up; until Mrs. Kovac went to them, had their announcements printed, and is now placing them at the bus station, where she had formerly put the Paul Stickell announcements, and also the announcements of our group meetings. We had another complaint about this,—this week. Mrs. Kovac is going around, contacting new students,—pulling them, or trying to, over to the Adams group, telling them Mr. Rogers wants more groups. She has told around that the sinister force has charge of me, and that therefore she is 'treating' me.

"We are decreeing for your return to Seattle, and I would like to talk to you while I am in Los Angeles, [443] about making arrangements for the Moore Theatre when you come, new developments concerning the radio, etc.

"Thanking you for all you have done for us, and all you have meant to us, and looking forward to seeing you at the Shrine,—I send you

"All Love and Blessings,

D. D. FOWLER."

(Testimony of Dottie D. Fowler.)

I still had confidence in Mr. Stickell on the date of that letter, June 28, 1939. Thereupon it was stipulated that the witness wrote the letter,

DEFENDANTS' EXHIBIT NN,

and the same was thereupon admitted in evidence. It reads as follows:

"613 Orpheum Building
"Seattle, Washington
"March 26, 1940

"Precious Mama:

"* * * * * * *

"During the past few weeks, while giving this decree and visualizing our perfect Temple of Ljght for Seattle, I would experience a feeling of nausea. Because of this, I omitted the decree, a number of times. Finally, I 'riz rite up,' calling to the Presence, Daddy and Saint Germain, to reveal to me any wrong activities, the obstruction and the source of the projections. I asked to be shown the perfect thing, and to be made to do it perfectly.

"Within four days, all was revealed to me. A Mrs. Gladys Murray from Los Angeles. (a highly emotional character) who has been in Seattle over a year, started entertaining the students in her home, telling them that in Los Angeles they had time for decrees And social activities. Until the 'revealing' time came. I

(Testimony of Dottie D. Fowler.)

was absolutely unaware of her activities along the [444] social line.

"All went well, until Mrs. Murray invited Walter and Beatrice Loyd to her home. Mr. Loyd is the former leader of the Seattle Minute Men's Group, whom Mr. Fowler replaced. When he was replaced, Mr. Loyd contacted some of our students, saying he was not 'through'. At that time, he couldn't find any students to listen to him, so he started a correspondence with Harry Rogers. While he was and is vicious, I found in that family, the female of the species is more deadly than the male! Thinking that by pouring out love to them, they would eventually reform, I allowed them to come to the group meetings. While they attended the meetings, they wouldn't speak when they met me, and during the meetings Mr. Loyd, who boasts of his mental power, would sit in the audience, trying to 'stare me down.'

"This social activity, or rather contact with the Loyds, turned Mrs. Murray, and three others against me. They were all members of my 100% Group.

"They started a whispering campaign among the students that the decree for a Temple was used as a camouflage to obtain money from the students, so we could buy a home of our own. They are decreeing to replace me with themselves as head of the *Acitivty* here.

(Testimony of Dottie D. Fowler.)

"I gave out from the platform, what had been going on, without mentioning or even hinting names, telling the guilty ones to stay away until they had cleaned house thoroughly.

"Mark Wheaton, the man whom I replaced at the door, because of arrogance and his insistence in handing around books on psychology, etc., to the students in the auditorium and reading room, is also in this mixup. His [445] employer informed me last night, there is a vicious plot afoot, against me as head of this Focus of Light.

"The loyal helpers, who know more what is going on than I do, have arranged among themselves to take us home after the group meetings, instead of letting us stand on the corner, waiting for a streetcar. While I feel no fear of bodily harm, I do feel their 'plot' will be to write or contact you. Mrs. Murray has friends in Ratana's Group.

"Regardless of all this, I remain dauntless and 100% loyal to the books of the Saint Germain Series and the VOICE OF THE 'I AM', and I continue to refuse to allow other books or magazines to be brought into the reading room or auditorium or even discussed there.

"CHURCH OF THE ASCENDED MASTERS"

"Spiritualists here have organized a church by the above name, and they are giving out now

(Testimony of Dottie D. Fowler.)

they are getting messages from Mr. Ballard, asking them to pray for him, because he gave out the wrong teaching while he was here in physical embodiment.

* * * * * * *

"By writing all this to you,—please know, Precious Mama, I am not doing so to add one feather's weight to your great responsibility, but I feel you should know a little something of what is going on here. We are depending wholly on the Mighty I Am Presence, Daddy and Saint Germain for our direction and protection. Regardless of the few agitators, we have many loyal students here in Seattle.

"I don't know of anyone who is enjoying this Shrine Class any more than Mr. Fowler, and I do hope he will be able to see you personally, for he has something for [446] you.

"The momentum has been gained in the giving of our decrees, and the Light is certainly doing its PERFECT WORK, CLAIMING ITS OWN, and TAKING ITS TOLL.

"With all Love and Blessings to you, Donald, Marjorie and the Staff, I am,

"Ever in the Service of the Light,

"D. D. FOWLER."

I met Dr. Bressler from Washington, D. C. in Los Angeles. I don't know whether it was September or not nor whether a Shrine class was going on at the time. I didn't tell him that I was going to see

(Testimony of Dottie D. Fowler.)

the Post Office Inspectors. I don't know whether it was September or October when I was in Los Angeles. (Tr. Vol. 17, p. 2692.)

My references to my statement in Exhibit NN, "While he was and is vicious, I found in that family, the female of the species is more deadly than the male" referred to the Loyd family. I wrote the letter dated April 8, 1940, which is

DEFENDANTS' EXHIBIT OO

Thereupon said exhibit was admitted in evidence. It reads as follows:

"613 Orpheum Building
"Seattle, Washington
"April 8, 1940

"Precious Messenger:

"Mr. Fowler has just returned from the Shrine Class, and he is so enthusiastic, he is encouraging all the Seattle Students to attend the next Shrine Class.

"As a Guardian of the Light, and not a tattler, I feel that you should know that Mr. Rohrbach, 'head group leader of Tacoma' as he terms it, and a German, smokes cigarettes. I met him on the street one days and spoke to him, and he was smoking. He was on the same train [447] with Mr. Fowler, going down to the Shrine Class, and at one station where everyone got off for an airing, Mr. Fowler and another Student saw him smoking.

(Testimony of Dottie D. Fowler.)

"Mrs. Nevers, who has charge of the Daughters of Light in Tacoma, has always been a questioning, disturbing nuisance in our Reading Room and in our Group Activities here, when she has been in town. She makes remarks out loud during the meetings, so those around her can hear her. This I would not allow any Seattle student to do, and I have put up with Mrs. Nevers ever since I first opened the Reading Room.

"From now on, I will bar both Mr. Rohrbach and Mrs. Nevers from all Seattle Group Activities. They are both personal friends of Walter and Beatrice Loyd, about whom I have written you before.

"Mrs. Gladys Murray, the highly emotional individual about whom I wrote you, who opened her home as a rendezvous to disgruntled 'students', is a personal friend and correspondent of Elma Quigley, a lovely Los Angeles Student, who attends Ratana's Group. Also, she is a friend of Louise Billings, who traveled with you. Thru these sincere, unsuspecting Students, Mrs. Murray expects to get into the next Shrine Class.

"Some of the '100% students' while still in my group activities, were busy investigating your financial status, and then they went around, criticising you to the other students here, telling them how You should spend your

(Testimony of Dottie D. Fowler.)

money! And now, these people are 'truly grateful for the steps that have led them up to the I Am,' but they have found something beyond. I made no mistake in dismissing these people from the group.

"Regardless of what anyone says about you, or [448] about me, I am fearless, I am dauntless, I am determined to hold this Focus of Light, in the Light, untouched by all human opinions.

"I am not complaining nor asking for help, but I am outlining just briefly, some of the things that have been going on up here.

* * * * * * *

"Most of the Students here are just wonderful and are standing firm. As I tell them, Saint Germain cannot use any 'wobblies' in his Army of Light.

"God Bless You,—We Love you, forever, Forever, and FOREVER.

"D. D. FOWLER."

Q. Now, Mrs. Fowler, after having heard those letters read, do you still say that you complied with Mrs. Ballard's instructions about not gossiping?

A. Mrs. Ballard told me that she wanted me to keep in touch with her: if there was anything that I couldn't settle, to keep her in touch with the student activity. I wrote to Mrs. Ballard because she told me the last time I ever saw her. She said, "Go back and clean up on them. You are not half tough

(Testimony of Dottie D. Fowler.)

enough. I proceeded to get tough, but it doesn't work. I don't like the reaction. She told me to do that at the four-day class in Los Angeles in 1940. Nothing she said during that conversation caused me to doubt her sincerity. She told me to go back and clean up on them and not to stand bringing different books in trying to confuse the students. I didn't feel that I was gossiping. The word gossip covers a multitude of sins.

Money was asked for in a way at the meetings. The announcer would usually mention the love gift boxes and that we should give according to our heart's desire and according to the money that we felt that we could give. [449]

Mr. Cannon then read the following from

EXHIBIT 186,

at pages 2 and 3, (This was from Instructions to Group Leaders dated January 3, 1939):

"Finances

"Never under any circumstances is any fee to be charged for anything done as a part of the 'I Am' Activity. Never at any time are any money schemes to be used for the support of any Group Activity. Implicit reliance upon the 'Mighty I Am Presence' as the storehouse of the Universe, and the issuing of mighty decrees for financial supply, will in every case release into the hands and use of the Group Leader all that is required to carry forth the Work with

(Testimony of Dottie D. Fowler.)

Ascended Master Perfection. Each Group Leader must learn to look to their own 'Mighty I Am Presence' as the only source of supply and never to the students nor to any human channel. To do the latter would inevitably shut off the supply. Under no circumstances may any request be made for money. Love Gift boxes may be placed where it is convenient for the students to use them, but never should a COLLECTION be taken for any purpose.

"Envelopes marked 'I Am Love Gift' may be provided but never should envelopes be marked applying to any particular fund. Of course individual students may mark their gifts for some particular fund if they wish, but for the envelopes to be so marked when given to the students, would constitute a solicitation for that particular fund. For the same reason it is not permissible for letters to be sent out to the students, solicitating donations for any purpose. The 'Mighty I Am Presence' is the only source of supply and as the students keep their attention on the Presence as the source, [450] and make their mighty decrees for limitless financial supply, everything will be taken care of with Ascended Master Perfection.

"Each Group Leader must individually take full responsibility for the financial affairs of their Group, and, in cases where the meeting room is provided by a Reading Room or Sanctu-

(Testimony of Dottie D. Fowler.)

ary, we urge them to bear in mind their responsibility to the one furnishing the meeting room, that they do not fail to fulfill their obligation for the financial supply of the source which made the room available.

"The Group Leader is the sole authority regarding the handling of Love Gifts received by the Group and cannot be held responsible to any other individual or committee or required to submit any report or accounting of receipts and disbursements.

"As the students enter for the activity of the Group meeting the entire atmosphere must be one of courtesy and a dignified Radiation of Divine Love. No one should be admitted who has the odor of liquor on their breath nor anyone who is antagonistic or critical toward the Work. There are other ways for such people to become acquainted with the Work and the Teachings if they desire. Their presence in Group meetings should not be tolerated. The Group Leader is the final authority on such matters and, so far as their authority is concerned, need not even give a reason for excluding any individual or for removing them from the Group meeting at any time. Do not hesitate to use physical force if necessary and if there are not present, students who can give any needed assistance, do not hesitate to call for an officer of the law to have objectionable people [451] removed."

(Testimony of Dottie D. Fowler.)

I never had to report to any group or to any person as to love gifts. I never submitted any account or report to Mrs. Ballard. I followed the instruction to the effect that the entire atmosphere at the group activity must be one of courtesy and a dignified radiation of divine love and that antagonistic or critical persons might be removed or persons having an odor of liquor on their breath could be removed and that physical force could be used if necessary, or that an officer of the law could be called to have such persons removed, (Tr. Vol. 17, p. 2707), but it was hard to tell who were critical, vicious or had liquor on their breath. Whenever one of these cases would come up, we had to come to some decision, and it was hard to be the sole authority because if you kept them in somebody would write to Mrs. Ballard and if you put them out somebody would write to Mrs. Ballard, so we got it coming and going.

I struggled along under these circumstances from 1936 to 1941, and I will struggle on for the protection of America, to save America.

Mrs. Ballard made the statement in 1938 concerning precipitation, that she had precipitated jewels of light in her own hands. The jewels of light mentioned in the paragraph of Exhibit NN, to wit, "Since the Shrine class I have the students visualize the jewels of light" were not the same kind. The jewels of light that we were taught—we were taught to visualize the jewels of light on the forehead and

(Testimony of Dottie D. Fowler.)

on the solar plexus, but the jewels she precipitated were in her hands. She said that if she were on a desert island and she only had a glass of water and a toothpick, she could precipitate anything she needed or wanted. She didn't say air or water, only the glass of water. I didn't take it that she meant that she would precipitate it through natural channels. Sometimes they told us precipitation [452] would occur through natural channels. In the particular instance above, she didn't tell me how it would be precipitated.

Q. As a matter of fact you have had a precipitated breakfast, too, haven't you? A. (Pause)

Q. Have you?

A. Well, I had breakfast with the Ballards and that was the nearest precipitated breakfast I ever had.

Q. You referred to it in your writings, didn't you?

A. It was precipitated because it was from them. Saint Germain was supposed to be there but I didn't see him. I do not recall, I might have written to the Ballards that Saint Germain was there, but I have never seen Saint Germain. I would have to have permission from the Ballards to see him. I read "The Voice" during this period. Thereupon Mr. Cannon read from "The Voice," September, 1940 issue, as follows:

"Beloved friends and students, if you will only accept that your Presence is the Giver,

(Testimony of Dottie D. Fowler.)

the Life and Intelligence to you, you will know It is your Treasure house. When you make the call for the supply you require, your 'I Am Presence' probably will not release to you coined money; but Its Love, Wisdom and Power go into action in the human octave and bring the conditions through natural human channels that will bring about the release of the money to you.'

Also, from April, 1940 issue of "The Voice," page 36, as follows:

"Since our Beloved Messenger came and gave this Light from Saint Germain, we have all had much greater good and Freedom in our own individual worlds. Then never let any of us for one second ever dare to think, say, feel or do anything that would try to [453] make others feel or believe that we are the Power or Understanding which is helping to set the student free. The ONLY POWER in this Activity or any other that ever did anything good for anyone is the Divine Activity of Life which is the 'Mighty I Am Presence' and no human being in this Activity shall ever take the credit in thought, feeling, word or act and remain as a Group Leader or representative of this Mighty Ascended Master Instruction of the 'I Am'—the only possible hope of Freedom or Divine Justice to the people of this world.

(Testimony of Dottie D. Fowler.)

"We are only privileged to carry the 'Cup of Light' which the Ascended Masters have entrusted to our care! We shall oppose everybody and everything who at any time openly or under cover attempts in thought, feeling, word or action, to give credit to any one's personality, not even my own, for bringing this Ascended Master Light, Instruction and Freedom of the 'Mighty I Am Presence' to mankind and holding this Light until they are free.

"Soon the very intensity of this Light will be its own defense and only those who reveal It thru their own bodies will be believed by the people.

"All under this Radiation belongs to Saint Germain for the victory of the Light, Freedom, Protection and Divine Justice to America and her people and for the Freedom of all mankind."

The Witness: That was the same instruction given to us at all times, with the exception "not even my own," because they would say "We are the law."

I believed that the changes in my life were to be brought about within myself. It would be my dependence upon the constructive [454] law that they taught that I call to my Presence. If you were listening to your presence and it told you to do something, and they told you not to, why they were the law.

(Testimony of Dottie D. Fowler.)

They told us from the beginning that there were going to be precipitated temples, so we always visualized a precipitated temple. We intended to precipitate a temple in Seattle. We expected to do so by making the call and Saint Germain interceding and doing something for us and produce a physical temple. We visualized a temple on every hill in Seattle.

I wrote the letter dated October 31, 1939 and answered with the letter dated November 23, 1939, which are a part of Defendants' Exhibit PP. Said documents were offered and received in evidence as

DEFENDANTS' EXHIBIT PP.

It reads as follows:

"613 Orpheum Building
"Seattle, Washington
"October 31, 1939

"Precious Messengers of the light:

* * * * * * *

"I Am Temple of Light

"We have been decreeing for a Temple of our own, and when our lease is out at the Clarement this next year, we just must have one. In this state, any property belonging to religious, educational or benevolent organizations, is free of property tax. Can you tell me what procedure is necessary, should we purchase property for a Temple, in order to come under the tax free regulation? I would like to have you give me this information at your

(Testimony of Dottie D. Fowler.)

earliest convenience, because we are all 'het up' here in Seattle, about having a place of our own! It then would be unnecessary for us to go outside to rent a place for the Appointed Messengers, when Saint Germain sends them to us." [455]

* * * * * * * *

"Ever in the Service of the Light,
"D. D. FOWLER."

"Nov. 23, 1939.

"Mrs. D. D. Fowler,
"613 Orpheum Bldg.,
"Seattle, Wash.

"Blessed Ones of the Light:

"That portion of your letter of Oct. 31st referring to the desire to own your own property upon which could be your Temple of Light, has been waiting my attention.

"This question of course will come up many times in the future for the students are all feeling the urge and need of having their own places in which to hold the meetings, and once this is possible it will make many things possible that otherwise could not be.

"We have not gone into the legal part of this, but we know from our own experience that in order to be tax free—that is exempt

(Testimony of Dottie D. Fowler.)

from income taxes on Love Gifts, sales from the Reading Room, etc. that eventually all Reading Rooms will have to be incorporated under the laws of their state, then when that is accomplished application will have to be made to the United States Treasury for a ruling as to Income Tax exemptions the same as the Saint Germain Foundation.

"There is much to be considered along this line and it takes legal advise and of course each state is different. We feel the time is not far distant when this will be done in many instances, whether or not you are ready to enter into something like this [456] remains for you to decide. It will entail considerable expense and perhaps time to get a ruling from the government with present existing conditions, but unless some radical change takes place in governmental regulations somebody will have to do the pioneering, which will make it easier for others following on.

"We have been in contact with another field who feel the time is near when this should be done and should they go ahead with such arrangements we will know considerably more how to advise the rest of the fields. We can only now give you a general idea, for this of course would be an entirely different thing than any we have encountered. We do feel that something should be worked out whereby a uniform plan could be followed all over the

(Testimony of Dottie D. Fowler.)

country and in the different states, altho different state laws might make them somewhat different. We feel Saint Germain will soon see that something is worked out whereby this can be cared for.

"Keep making your calls for the perfect plan and that there be no interference of obstructions put in your way for the perfect Temple coming forth. Decree #33 in the new Loose-leaf Decree book covers part of this call * * * "

"Sincerely yours,

"THE BALLARDS.

"By .....

Refreshing my memory by the letter dated October 31, 1939, the temple mentioned therein was not out of the ether. There were other temples we were going to precipitate. There were temples that would come down and absorb these temples when the golden age would come in and have perfect temples. I don't [457] know whether that was what was referred to in the Bible as the millennium or not. Different places had been promised precipitated temples, but we hadn't. We were going to make a call on Saint Germain to precipitate a temple in Seattle, but the temple referred to in the letter was going to be made with our hands.

I believe what Mr. Stickell said about the black flies in his plate poisoning his food. I don't know

(Testimony of Dottie D. Fowler.)

whether he told me or not, but I took it for granted that they were on the invisible plane. I can't remember whether Mr. or Mrs. Loyd were some of the people who were at the meetings. It was my responsibility to put them out. They were disturbing. They did attend during some of the classes.

The statement made by Mr. Cassiere where he said that Mrs. Ballard had flown from California to Cleveland with a letter from Saint Germain for his dismissal and that he had challenged her and said to her during the course of their conversation, "You just admitted that Saint Germain has been in Europe for three months and you haven't been in contact with him, so I refuse to be dismissed. I am a messenger of Saint Germain, ascended or unascended" occurred in 1937, or earlier. I believed his statement. It did strike me as strange that he should talk to me like that about one of these messengers, unless he was absolutely right. I don't know how I felt about it. I don't know whether I believed him or not. I thought that it was strange he talked about it. In 1939, he said the same thing again. I can't say whether I believed him at that time or not. There was nothing he said about his purported dismissal which caused me to stay in the movement. That was only one thing that looked peculiar and I pigeon-holed that. There was another thing that looked peculiar. He said in the 1939 class in a discourse that the I Am Discourses were all written by Mrs. [458] Ballard when Mr.

(Testimony of Dottie D. Fowler.)

Ballard was out west here supposedly having these experiences. I have had three conversations with Mr. Cassiere regarding his dismissal, one in 1936, one in 1939, and one in 1940. He didn't come in in 1940 and say, "I want to tell you again." We were eating and he was telling his experiences and he comes to this again. After he told it three times, I still kept on with the work. I think I know of one other person who also heard it, Mrs. Ward, who lives in Seattle. I can find out where you can locate her but I can't give you any information where she is now. I wouldn't say positively that she was there. The statement made by Mr. Cassiere in which he told me that I knew why they were asking all the people to buy decree books, because they wanted to sell a lot of decree books occurred in October, 1940. I can't just say whether I had any question about that time about Mrs. Ballard's loyalty to me. (Tr. Vol. 17, p. 2744) I knew she was trying to sponsor a class in Seattle independent of mine. I wouldn't say that that made me mad. That is not the reason the conversation came up between me and Mr. Cassiere. Thereupon, the telegram from the witness to Miss Majerus was offered and received in evidence as

(Testimony of Dottie D. Fowler.)

DEFENDANTS' EXHIBIT QQ

"Seattle, Washington,
"October 8, 1940.
12:03 p. m.

"Bertha Majerus, Biltmore Hotel,
"Los Angeles, Calif.

"Agitators here claim Mrs. Ballard sponsoring new Seattle group. Is this authentic. Please answer RCA immediately.

"D. D. FOWLER."

Before I ever had that conversation with Mr. Cassiere, I had heard about Mrs. Ballard, but it wasn't authentic. We just wondered whether it was true or not. [459]

Redirect Examination

When you hear gossip, you know, just gossip and word is passed around—it hadn't come direct from Mrs. Ballard and the students were talking about it and so I just wired to see if it were true or not. To my knowledge, Mrs. Ballard was not sponsoring another group in Seattle when I had this conversation with Mr. Cassiere regarding the sale of decree books. The decree book, Exhibit 67, comes before the lose leaf decree book. I had one of those books myself. I obtained it from the Sindelar Studios. They were a dollar. Glancing at Decree No. 53, I see that that is one of the decrees to which I am referring.

(Testimony of Dottie D. Fowler.)

Mr. Lazarus read from the September, 1940 issue of "The Voice," as follows: Reading from page 9.

> "A very great service has been rendered the Southern part of California tonight. Oh, that you could understand and realize sometimes when you are just in exact compliance with the Great Law (and I mean by that the Great Cosmic Law) how one of your calls will produce such gigantic results, as I am about to relate. All discarnate entities have been removed from Southern California! (applause—audience rising)."

Reading from page 13:

> "For instance in the requirements of your city and coast activity here, I do not think you quite realize the position you are in. Will you believe Me, when I tell you that We have prevented time, and time and time again certain spy activities, which would have drawn a force into Mexico that would have destroyed your cities here in Southern California before you could scarcely wink your eye?" [460]

Reading from page 26:

> "You see before you these Messengers who have given the greatest proof the world has ever had of this Great Law and in a condition, the worse the earth has ever known, without asking for a dime, they call forth from the Treasure-house of their 'I Am Presence' the supply that is required."

(Testimony of Dottie D. Fowler.)

The Witness: I heard references made to smoking and sex activity during my association with the Ballard movement. Those references were made from time to time by the Ballards. I was attempting from time to time to the best of my ability to follow their teachings regarding that subject matter. Mrs. Ballard said that it was possible to tune in on other classes. I heard Mrs. Ballard make the statement which you quote from "The Magic Presence" as follows:

> "Two days and two nights later we emerged from the eternal flame wearing our new bodies of immortal endurance. The inharmony of earth cannot register within these permanently."

Mr. Lazarus then read from Defendants' Exhibit NN as follows:

> "Easter Sunday evening, we had a complete surprise for the students—including Group Leaders and Helpers. During contemplation, while the musicians were playing I Am Come —Daddy's large picture was quickly and quietly placed, over our violet velvet curtain—right between our pictures of Jesus and Saint Germain. At the close of the contemplation, everyone rose and applauded and wept for joy."

The Witness: The picture which I referred to in Exhibit NN is a picture purchased from the Saint Germain Press for [461] $25. Some of the

(Testimony of Dottie D. Fowler.)

other pictures were purchased from the Press and also from the Sindelar Studios. In the special study group meetings, I was regulated by these letters such as Exhibit 186 in regard to the handling of the study groups. We did not have any dictations from the ascended masters at our study groups. The Ballards appeared in Seattle with dictations received from the ascended masters at their classes. Their classes were held in a different manner than the study groups.

Mr. Lazarus read from Exhibit HH as follows:

> "We are decreeing for you to return to Seattle and every Sunday night we sing No. 33 in the new book to help bring this about. Also we have started a fund for this purpose."

Regarding my statement in Defendants' Exhibit HH that we are decreeing for Mrs. Ballard's return to Seattle and are starting a fund for that purpose, they told us if we made the call the fund would be to help defray the expenses when they would come.

Mr. Larazus read from Exhibit LL as follows:

> "However, one of our most devoted students to the Light said to me yesterday, 'I am so grateful and it was so wonderful the Goddess of Light mentioned you in the Oakland class as it seemed to settle some of the agitators who were either looking for sympathy or for trouble."

(Testimony of Dottie D. Fowler.)

I was present when the Goddess of Light mentioned my name in the Oakland class. Mr. Ballard was speaking at the time the Goddess of Light made this statement. I have never seen the Goddess of Light. It would embarrass me to tell you the lovely things she had to say about me. I recall Mr. Cassiere making the statements from the platform that are [462] mentioned by me there in my letter to Mrs. Ballard dated December 11, 1940, Defendants' Exhibit GG.

Mr. Lazarus read from Exhibit II as follows:

"We had the privilege of going out to Dr. Kirk's beautiful estate yesterday. I do not think anyone could be more appreciative of the privilege that was his in meeting you, on the Mezzanine Floor of the Biltmore, and of having such a fine talk with you. Every time I see him, he mentions that meeting; and he has said to me: 'To think of having the opportunity of shaking hands and talking to someone like Mrs. Ballard—someone who associates with the Gods!"

Mr. Lazarus read from Exhibit JJ as follows:

"The Group Meetings are for the purpose of going thru the Outlines as given and no discussion other than the necessary announcements pertaining to the work. This has not been followed in the past year I find, and much discord has driven in because of the lack of obedience to the Divine Director's request.

(Testimony of Dottie D. Fowler.)

"As I stated in the Shrine Class we are revising the Outlines and all Groups in the future must stay with these Outlines and build the pattern at the Inner Level which the Divine Director can use for certain protection of America. I shall expect all Groups to do this, and please do not give voice to any more personal opinions, etc. If something is wrong, apply the Law and clear it out thru your calls, but do not harass the Students. This must not be done."

Mr. Lazarus read from Exhibit GG as follows:

[463]

"I haven't written you before, concerning Brother Bill's Class here, because it seemed better to say nothing at all, than to tell you the truth. The one thing I regret the most is that you were not here to see and hear for yourself, all that went on.

"When Brother Bill first arrived here, he told me that down south 'they' had the idea I had the big head because the Ascended Masters had mentioned my name; and he told me of the jealously aroused because of the jeweled flags we carry; that he felt he could 'put me in right' if I would tell the manufacturer's name, so he could pass the information on to Frances Ekey."

(Testimony of Dottie D. Fowler.)

Page 2:

"Now, for some of the information Bill gave out from the platform:

"Speaking of my having the big head—you should have seen Bill strut across the platform, and scream to high heaven: 'I am an Appointed Messenger of Saint Germain—ascended or unascended, and that is more than anyone in Seattle can say!'

"A year ago, when Bill was here, he hadn't seen his Presence, Jesus or Saint Germain; but this year, he boasted from the platform: 'I've seen my Presence, I've seen Jesus and I've seen Saint Germain!' And then again: 'I am an Appointed Messenger.'

"Another thing Bill said was that the I Am Discourses were dictated to you while Daddy Ballard was in the West, having his experiences with Saint Germain.

"One afternoon, before just a handful of students, Bill had a hallucination. He decided there were some [464] spies in the audience. He started screaming that because of these spies, his own name would probably be in the headlines the next day, and that what he was saying would be sent to Washington, D. C., and that within five hours, the whole thing would be in Berlin, Rome and Moscow."

Mr. Lazarus read from Exhibit FF as follows:

"I have been encouraging the students to

(Testimony of Dottie D. Fowler.)

start groups in their own homes, and many of them have done this. Some families get together every day and issue the decrees together.

"I was happy to hear from Mr. Chenoweth that you will hold a class in Florida; and that is one class I should certainly love to attend. Of course, it goes without saying, I should love attending All the classes, in All the cities!

"Back to the broadcasts again—I am happy to report that each week several people—new people, that is, come in for information about the work, from having heard the radio program. Some of them will say:

"'Oh, Mrs. Ballard, I heard you on the air Sunday.' And someone called me by telephone here at home, addressing me as 'Mrs. Ballard!'

"The work is much easier since you were here, and will so continue, in our great joy and anticipation of your return."

Recross Examination

He made those statements at the 1940 ten-day class in Seattle. I couldn't tell the day.

Q. Can you give me the name of a single person that was there and heard him make them?

Ths Witness: Well, I think everyone that was there [465] heard him. Well, I don't like to mention names because you go to them—I know Mr. and Mrs. Leighton were there. I don't know his

(Testimony of Dottie D. Fowler.)

address. His first name is Roy. He possibly heard some of these. Some of them were given afternoon and evening. He only came in the evening. I went alone to the meeting when I heard those statements. I imagine 75 or 100 people were there. (Tr. Vol. 17, p. 2765) I can't give any other names of people who heard them. Mr. and Mrs. Leighton left the activity when I left it.

Redirect Examination

At the time I wrote that letter, Exhibit GG, I was still a member of the movement and still reporting as to happenings which occurred in Seattle. I still believed in the constructive part of the movement. [466]

ARTHUR M. LOOMIS,

being called as a witness in behalf of the Government, testified as follows:

Mr. Lazarus read from Government's Exhibit 64, the August, 1940 issue of "The Voice", last page.

I am the president of the Econolite Corporation, which manufactures items such as the one marked Government's Exhibit 191. We have manufactured such items for the Saint Germain Press. I made a memorandum from the records of the number of charts which we have sold to the Saint Germain Press and it shows that we sold 312 Magic Presence Charts for a total sales price of $5,762.81. The

(Testimony of Arthur M. Loomis.)

prices and figures and amounts on said memorandum are correct. Thereupon said memorandum was offered and admitted in evidence as Government's Exhibit 200.

Cross Examination

The price shown is a fair price for the work done and materials furnished, but we did not furnish the lithographs for the Magic Presence Charts. We did furnish everything else.

ISOBEL SHINN,

being called as a witness in behalf of the Government, testified as follows:

My mother's name was Deresar de Carranza. I was born in Argentina. My mother paints. She is 77 years old and it is difficult for her to speak English very fluently. I saw my mother paint a picture while I was living in Belgium and about 14 or 15 years of age. The picture which you have shown me, Government's Exhibit 201, is the one I saw her paint. She fools around with her painting and it took her about a year to do it. It was painted in about 1915. I didn't see anyone posing for the picture, though I was present on many occasions while it was being painted. I saw her place on the picture the characters that are on either side of the head and the scroll which was upon it. I was pres-

(Testimony of Isobel Shinn.)

ent when the picture was finished. (Tr. Vol. 17, p. 2776). My mother painted other pictures. [467]

Exception No. 75

Mr. Neukom: I would like to offer at this time the picture.

Mr. Peterson: That is objected to upon the ground that it is incompetent, irrelevant and not material to any issue here. There is no proper foundation laid for its introduction into evidence at this time. Its introduction would be hearsay as against every defendant in this case.

Q. Is this the same picture that I hold in my hands that your mother was painting and which took about a year to paint?

A. Yes. It is the one I gave to the Postal Inspector about a year ago. It had been in the possession of my mother until that time.

The Court: It will be received subject to the same objection and an exception allowed to each of the defendants.

Thereupon, Government's Exhibit 201 was admitted in evidence.

The Witness: My mother told me what the characters mean. She told me they were in a foreign language. I am forty years old. I came to the United States at the end of 1915. My mother brought the picture with her. After we were in the United States photographs were taken of the picture. The small photograph which you show me is one of the photo-

(Testimony of Isobel Shinn.)

graphs that I turned over to the Postal Inspectors a little over a year ago. It is one of the photographs that was taken of the picture which my mother painted, Government's Exhibit 201.

Exception No. 76

Q. In the year 1917 or 1918, did you ever see your mother passing out to friends or acquaintances copies of photographs similar to the one I am now showing you? A. Yes.

Thereupon the answer was stricken by the court for the purpose of objection. [468]

Mr. Peterson: The objection is this: It is utterly immaterial to any issue in this case, whether this witness or her mother, or anyone else for that matter, in 1917 or 1918 were passing out replicas of pictures counsel has in his hand, which, I assume, is a replica of this last exhibit.

Mr. Armstrong: Now, if the Court please, in reference to this photograph, it is easy to discern from a comparison that they are not the same. The question of having characters similar on the background is not important. There is a group known to the advanced esoteric students that are members of a certain school, so-called the Lesser Mysteries, and about the pictures of all of those appear those same characters, men that live in widely separated sections of the earth. So those characters do not mean anything insofar as association with this particular picture is concerned.

(Testimony of Isobel Shinn.)

The Court: Objection overruled and exception allowed to the defendants on all of the grounds urged by Mr. Peterson and Judge Armstrong.

The Witness: Yes.

Mr. Neukom read from Exhibit 97.

Exception No. 77

Mr. Neukom: The small picture, your Honor, will be Government's Exhibit next in order.

Mr. Cannon: Our objection goes to that also.

The Court: Same objection and same ruling as to the Exhibit now just offered in evidence.

Thereupon the picture was received in evidence, marked "Exhibit 202".

Mr. Neukom read from Exhibit 91.

Cross Examination

I have lived in Los Angeles for around 13 years. I came from Belgium. We came here to Hollywood, stayed a year, went to [469] San Diego; from San Diego to New York, from New York we came to Altadena and then to Los Angeles. We came to Los Angeles at the end of 1916 and at the very beginning of 1918 we went to San Diego. I came to the United States in 1916 around November. Before we arrived in New York we lived in Brussels, Belgium for four years. We went there in 1912 when I was 15 or 16 years old. I went to two or three Catholic Convents in Belgium. When my mother painted the picture she was living at the Square

(Testimony of Isobel Shinn.)

Ambirorix. That was two years before and two years during the occupation of Brussels in the last war. My mother came with me when I came to the United States in 1916. We had three pictures with us. My mother is at home in Los Angeles now. She is able to get around and is an intelligent lady. She had some large photographs taken of Government's Exhibit 201. Someone came and she gave permission to him to take the pictures. It was a regular photographer. I don't know whether the pictures were for her own use or not. She kept one or two, but people came in and asked, "Can I have a picture", and I remember going to the drug store and having some prints taken, 12 or 24 of them, because people out in Hollywood all went crazy for the picture and they all asked for it, and my mother didn't call it Saint Germain, by the way. (Tr. Vol. 17, p. 2794). That is true also of the other pictures; someone took pictures of them and gave my mother copies and the film. My mother didn't publish the photographs herself. The pictures were brought through the Customs office with other things. I did not pay any attention as to whether we declared them. I was only 15 years old. I was probably looking at the City of Hoboken instead of paying attention to what my mother was doing. I don't remember the names of the people who came and got the pictures. I remember when it was done. It was in Hollywood, and I know that was in 1917, the very end of 1916 and all the year 1917 when we moved

(Testimony of Isobel Shinn.)

to San Diego in January, 1918, and my mother belonged to [470] the society for a year and so they die and we quit it. The picture is the same as when we brought it. It has been in the closet at her house at 6031 Third Avenue, Los Angeles.

ALPHAEUS MOSHER,

being called as a witness in behalf of the Government, testified as follows:

I knew Mr. Ballard in 1929 and 1930 in Los Angeles. I saw a picture similar to Government's Exhibit 202 in the possession of Mr. Ballard.

Mr. Armstrong: There is no controversy about that. These people were members of the Theosophical Society and had it then since 1929.

The Court: There is no controversy about that. Yes, he testified about that.

The witness was excused and thereupon the Government offered in evidence the so-called Mt. Shasta letters as Exhibit 203, and the following proceedings took place: [471]

Exception No. 78

At the former trial in the same District Court, of the same defendants now on trial before this Court, other defendants included in the former trial having been acquitted, the contention was made by

the Government that certain experiences as professed to have been had by Mr. Ballard at Mount Shasta had not been had for the reason that at the time professed by Mr. Ballard in such articles to have occurred at Mount Shasta, Mr. Ballard was not actually at Mount Shasta. To rebut this contention of the Government, while Mrs. Ballard was on the witness stand, there was produced by Mrs. Ballard a series of letters and envelopes received by her from Mr. Ballard from Shasta which definitely establish that the Government was wrong in its theory and that Mr. Ballard had actually been at Mount Shasta at the time in question. This proof convinced the Government that their theory was wrong and that witnesses who had been called by them to establish that Mr. Ballard was not at Shasta were incorrect. In connection with the present trial, the Government makes no contention that Mr. Ballard was not at Shasta at the time related by Mr. Ballard under certain publications that he was so present. However, the Government desired to introduce in evidence the said letters that had been introduced in the former trial by the defendants for the purpose of rebutting the former Government claim of lack of presence of Mr. Ballard at Mount Shasta; in this case, however, for other purposes, and by way of certain alleged admissions it further appeared that after the conclusion of the former trial, by order of court the said exhibits had been returned to Mrs. Ballard, but prior to this return, the Government had caused said exhibits to be

photostated. It was photostats that the Government thought to introduce in this trial, no objection being made by defendants as to the authenticity of the photostats. The facts relating to the means by which said letters were procured, and the purpose for which they were [472] introduced in the former trial, was admitted by the Government.

The defendants objected to the introduction thereof upon the ground that the use thereof violated Articles 4, 5 and 6 of the Constitution; that the statements and the letters were not voluntarily produced, but involuntarily, by reason of the necessity of rebutting the erroneous position that the Government took in the former trial.

That said documents had been produced at the former trial and were now in possession of the Government by reason of physical or moral compulsion; that they amounted to a violation of the Constitution against unlawful search and seizure; that moreover, Mr. Ballard, the author, was not available for cross-examination thereon, being deceased; that moreover, under no theory could they be admissible under any other defendants than Mrs. Ballard. The objection was overruled after extensive argument, and exception allowed, not only generally to the objection, but also as to the objection as to its admissibility against defendants other than Mrs. Ballard.

GOVERNMENT'S EXHIBIT 203

was received in evidence.

"Mon. 10:30, 8/11/30.

"Mt. Shasta City

"Beloved Meta:—

"Blessed Angel of Light.

"My Sweet White Dove:— Your blessed letter of the 7th just rec'd. first letter since I moved to this address. last friday. I feel so impelled to get a P. O. Lock box. it is 45¢ for 3 months. as that is the time I have given myself to make good in the writing, I think I will get a box, then can get any mail that comes on Sunday.

* * * * * * *

"* * * Please get me all the information you can, [473] as to length of short stories. the kind, most saleable. & etc. Dear Heart, Vol. II of Spaldings. is more and more wonderfull. Bottom of pg. 44. God is a Loving, & Bottom of pg. 45, All are inspired by God, when that inspiration is for good or right, and all can be inspired by God. at all times if they only will. I had been reading & went down to the store, when I come back the book was open and these words were the first I saw. several pgs. from where I had been reading. So I know it was a direct message to me. It is so rediculous to think the Almight God in us. cannot do instantly what ever we

desire to do that is good. It is all a matter of concentration & Stillness."

* * * * * * *

"RAY"

* * * * * * *

"9-29-30

"Beloved Meta.

"Blessed Angel of Light.

"My Sweet White Dove.

"My precoius Diamond Heart:—

"Yours of the 27, received, with Two $ enclosed, thank you so much, precious one. Also came the two envelopes of booklets and the Thomas Lecture, the peculiar part of it was, in the Unity Daily Word, on Sept. 29 being today was surely a direct message to me, Through the eyes of Spirit,—perfect vision— I behold all things and Persons as they exist in Truth.

"In Unveiled Mysteries, I sure have been doing just that.

Yesterday I got runing way ahead in conciousnese, first thing I knew, I blending an experience to come, into [474] the one I am writing now. I was swimming along and something said you are wasting a page, I stopped, began reading it over and saw my mistake. Gee, it is so glorious, so fascinating, I just love it, I worked from 7 A. M. to 9 P. M. yesterday and was pretty tired last night, I have

over 5,000 words done on 'Unveiled Mysteries' and still going fine, but as a typest I am not a big hit, but I miss words because I get to reaching out to fast, Gosh some times I get where I just want to grab a handful of words and throw them in place on the page, in order to catch up.

"You can use Brother XIV, if that seems right to you, you are absolutely right there must be no way these books can be traced to me, the Experiences being so astounding people would come from all over the world trying to find the writer.

"His Highness says, when the First book begins to get into circulation, I will be wise to change from here, for immediately people will begin to come here quietly to try to find out who Ray is, knowing it was written in this locality, but he said, that should not be changed.

"He says after the books are out for six months then that frantic desire to find Ray will subside to a large degree.

"I cannot go to any of these little towns for these people are passing back and forth through them every few days, but before that I will have found out the situation at Jackson, Wyoming.

"Gee this is all more Fascinating than a Sherlock Holmes.

"Thanks for the booklets, probably wont do much reading for the next ten days, while I

have this Typewriter, I like the Royal fine.

[475]

"Yes I am quite Comfortable thanks to you my precious Angel love.

"You just bet we will soon have it so R. can come out in the mountains and run to his hearts content, I hope in the next letter you will have the manuscript. can hardly wait for your comment.

"We sure have given some service in this old world of ours, when you read 'Unveiled Mysteries,' no wonder I have been so interested in Mining, this time, if you love the first book you will worship the second."

* * * * * * *

"RAY"

* * * * * * *

"Oct. 1, 1930

"Beloved Angel:—

"I have been held so steady at the typewriter, havent had a minute to get a word to you, so am making one grand rush now to get this off to you, I am now under ground on the Madeira, branch of the Amazon. and I have Just taken down three typed pages of the most marvelous words ever uttered it seems to me, by the Being who Officiated there Sixteen Thousand Years ago, I think this is the place once intimated to us, I began this morning and dident stop until after three dident dare to stop less I loose the connection it is simply marvelous.

"No letter again today so am still more shriveled up, if no letter in the morning I will have dissapeared completely, I am simply cant wait to know if you like the narrativ.

"Worlds of love and blessing to you both."

"Your Adoring

"RAY" [476]

"Mount Shasta City

"Sept. 4th, 1930

"Beloved Meta.

"Blessed Angel of Light.

"My Sweet White Dove:

"How wonderfully blessed I am this day, for I received the two express packages, yesterday afternoon, and how greatful I am to have those blessed pictures, how exquisite, you have framed them. Those blessed books, how I gobbled up that dictionary, but found aside from my generous use of the L's It wasent quite as bad as I thought, so I immediately corrected the Manuscript to date, so I feel quite relieved.

"Those blessed Master books every thing is sure in them, and the Inner Secret, Gee how like mine was his experience, yet, notice how he says the great law vindicated him, its wonderful.

"This morning, your three letters of the 31st, 1st, and 2nd, came, with the Magazinette, what blessed letters, thank you love.

"I sure am mighty glad to have the perscription for hemorrhoids for I did have them very

uncomfortable, for three days, but I am all right again now. but its a fine thing to have on hand, I feel it is real*y* wonderful. Your letter to Deans is fine, just stand firm on that, am enclosing it.

"I real*y* think the statement; 'I now release the gold mine within me.' and real*y* feel it, is the most powerful thing we have in our use for prosperity. and sure is the correct thing for the veins.

"I am getting a little more speed on this machine, thank the Lord, Yes, it was offered to me. Oh! I am [477] having a great time, to real*y* feel and know I am accomplishing something I have longed to do.

"Your flash of Illumination, in yours of the 2nd, is certainly fine and correct, I will copy it and meditate on it.

"Yes, I will be careful of the eats, for the inner clean is inclined to increase the appetite, however, I sure wish you and Dear Heart, were here for lunch today, for I have some of the most gorgeous strawberries, grown near here at Castella, two boxes for a quarter, so we dine sumptuously, on short cake today.

"The M. W. Catalogue, Sure gives Some good ideas all right, as to article, quality, price and etc."

* * * * * * *

"RAY"

Typewritten copies of said letters were received in evidence as Government's Exhibit 203-A.

JANE FERGUSON,

called as a witness in behalf of the Government, testified as follows:

I am acquainted with Mrs. Ballard. I am married. I was acquainted with Guy W. Ballard. Both my husband and I were appointed messengers of the I Am movement. This was in January of 1935. I first met the Ballards on August 26, 1934, in their home in Chicago. In December of 1934, I was with the Ballards in New York in a hotel room of the Ballards. At that time Mrs. Ballard said she had been working very hard on the manuscript "The Magic Presence" and she pointed to her table where she had a violet colored typewriter and there were some papers upon which she had been apparently typing. I received the letter dated December 20, 1934,

GOVERNMENT'S EXHIBIT 204,

signed by Mr. Ballard through the mails.

Said Exhibit was thereupon received in evidence, and [478] reads as follows:

"Beloved Students of Light:—

"Your blessed letter of the 17th rec'd. Again you were the victorious children of Light. Yes! go on with the class work. I feel you will be authorized Messengers soon as we are on the Ray. * * *"

* * * * * * *

"The 'Magic Presence' is almost ready for the final typing. Orders are pouring in so feel

(Testimony of Jane Ferguson.)

sure money will be ready as soon as we are."

* * * * * * *

"The Messengers

"THE BALLARDS."

I received a letter dated January 1, 1934, but it arrived shortly after January 1, 1935, through the mail with the typed signature, "Saint Germain."

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 205,

and reads as follows:

"Saint Germain's

"Private New Year's Day Message.

"My dear Mr. and Mrs. Ferguson

"Beloved Students of the Light:

"Great is the joy that it is my privilege to inform you that you have been made Messengers of the Light under this radiation.

"It is my wish that you remain subject to my direction through these Messengers until such time as you are able to draw forth the Visible Ray into your own midst through which I may dictate to you audibly and direct whatever is needful."

On the 19th of May, 1937, I received a letter from Mr. and [479] Mrs. Ballard from the Ritz Carlton Hotel in Philadelphia. I had written some of my own handwriting on the letter which I attempted to erase; otherwise, it is as I received it.

(Testimony of Jane Ferguson.)

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 206,

and reads as follows:

"Mr. William Irwin Ferguson:

"Mrs. Jane Ferguson:

"Owing to your continued spreading of vicious falsehood, concerning My work and the Magnificent Dictations of Discourses by many of the Ascended Masters, your compel Me to withdraw your Messengership, which I gave you represent Me and My Work.

"It is unfortunate that Mrs. Ferguson must be included in this, as her Light is bright and her heart is right; but being associated with you, I am compelled to withdraw the Messengership from her, also.

"If you could realize your great mistake in this attitude to My Work, you could call on the Law of Forgiveness and thus avoid the conditions you must meet in your next embodiment, through the causes set into action in this one.

"You have thrown yourself out of the Radiation of any of the Ascended Masters, by this vicious false attitude toward My Work, in claiming the Discourses, since the book of 'I AM DISCOURSES' was dictated, are not by the Ascended Masters.

"I tell you every Discourse in the Magazine and every Discourse dictated since the book of 'I AM DISCOURSES' was printed, is just as

(Testimony of Jane Ferguson.)

REAL as those Discourses are and were dictated by the Ascended Masters as claimed.

"You have built up a vicious hate entity that is surely destroying you and the beautiful work that could [480] have been done.

"You shall not any longer represent Me, have the privilege of selling the books or in any way representing this Work. This you have brought upon yourself. I have tried in every way to help you, that your attitude might be changed before it was too late.

"This closes your door to Our Assistance, until such time as you will earnestly and sincerely call on the law of Forgiveness and STOP spreading falsehood and discord in My Work.

"May your 'Mighty I AM Presence' release you from the tragic danger you are in."

"SAINT GERMAIN"

We had already decided to give up the work when we received this letter, about the 1st of April we decided, that is, April of 1937. While in the movement my husband and I conducted classes from place to place. We sold books that we procured from the Saint Germain Press. During the first year we received no discount. However, about November of 1935 we began to receive a 30 percent discount or commission.

In New York in 1934, at the breakfast table at the Breslin Hotel, when I was present, Mrs. Ballard

(Testimony of Jane Ferguson.)

stated in response to a query as to a young man in one of my classes, as to "What about insurance policies", "Well, what kind of policies were they?" I replied that one policy would mature in a couple of years. Mrs. Ballard said to tell them to drop the straight life and to wait until the other policy had matured and then cash in on it. I have heard Mrs. Ballard discuss the subject matter of cataclysms many times. In August, 1934, in Chicago, I heard Mrs. Ballard state, Mr. Sherwood Pinkerton, Mrs. Moisher, Mary Ketcham and Mrs. Farghar also being present; also, Dr. Hargraves and his wife being present, that the time was very short and we would have a cataclysm in [481] September of 1936. She mentioned cataclysms a number of times in different classes. One time in September of 1935 in Kansas City from the platform, she spoke of a cataclysm that was to occur and told of having saved both the West and the East coast. Before that, on the West coast in the spring of 1935, she had stated that if it had not been for their work many cities on the West coast would have slipped into the ocean. She stated this in private conversation with me. I bought the books of the Ballard movement and in buying them I believed the representations contained in them. Before becoming a messenger, I contributed money to Mrs. Ballard. At the time I went through a class I gave her $50.00. I believed at that time in the representations Mrs. Ballard was making. I received a letter dated February 4, 1935, bearing Mr. Ballard's signature.

(Testimony of Jane Ferguson.)

Said document was received in evidence as

GOVERNMENT'S EXHIBIT 207,

and reads as follows:

"Miami, Florida.
"28 N. W. 8th Ave.
"Feb. 4-35

"Blessed Fergusons.
"Beloved Messengers of 'Light'.

* * * * * * *

"We went through 3 years to prove and solve the question confronting the messengers there. Enough Divine Love poured out to the class will in time release the gift of money from the class as balance to the Messengers.

"In the achievement of this height of consciousness it is perfectly right and permissible for one of the old student not a messenger, to call the attention of the class in the absence of the messengers to their privilege to make gifts of money to the messengers who bring [482] to them the transcendent Truths and freedom who must be financially supported to carry on the work. That it is the right and privilege of the students to do this.

"The paragraph on the pink slip is not meant to convey that the student should not make gifts of money to the messengers. But that paragraph has been a tremendous safeguards to us many times. But the application blanks show the stu-

(Testimony of Jane Ferguson.)

dents that it is their privilege to make gifts of money to the messengers.

"The letter of your student in N. C. through whom the marvelous healing has manifested, is wonderful indeed. The mighty 'I Am' Presence bless him ever with greater and greater healing power.

"Keep silently calling your Mighty 'I Am' Presence to charge the classes with financial supply and release to you. * * *

"As the Messengers go deeper into the consciousness of the Mighty 'I Am' Presence, charging your world and activity with your limitless supply of money you will find the supply will always be there.

"But the danger point is, if the messengers unknowingly begin to look to the class for supply instead of the mighty 'I AM' Presence they may unknowingly cut off their supply. Because even through the class the attention for the supply must be on the Mighty 'I Am' Presence."

* * * * * * *

"The Messengers

"THE BALLARDS."

"Per G. W. B."

I knew Paul Stickell. He was also a messenger. I received circulars from Mr. Stickell announcing classes that he was to hold. We also prepared circulars and sent them out. [483]

The circular referred to was received in evidence as Government's Exhibit 208.

(Testimony of Jane Ferguson.)

I received a letter dated January 17, 1937, which was before my dismissal, signed "G. W. Ballard."

Said letter was received in evidence as

GOVERNMENT'S EXHIBIT 209,

and reads as follows:

"Biltmore Hotel, Los Angeles, Calif.,
"January 17, 1937.

"My dear Mr. Ferguson:

"Your wire was received, but impossible to answer sooner.

"Miss Majerus has her orders from Sanit Germain that all book work from the beginning was to be kept on a cash basis, and this will be done. When we have the books printed we have to pay cash, why should we give credit to others and pay cash ourselves?

"Now, it is necessary to correct a number of other things. Saint Germain was here a few days ago and says he will not tolerate any more criticism of ourselves or Miss Majerus by you. To do so silently would be bad enough, but to do so openly in your class is unpardonable.

* * * * *

"Saint Germain told the Appointed Messengers in the Breakfast Talk in Detroit, that if they did not keep themselves sufficiently harmonized, not even the Ascended Masters could help or protect them. You are in danger of having your Messengership withdrawn.

(Testimony of Jane Ferguson.)

"We are following the Ascended Master's direction and have not made any mistakes. When you criticize us you criticize the Ascended Masters, so don't do it again.

"We appreciate your lovely wire sent to the Shrine Class, which far transcended any class so far. We are pleased to know of your good class in Boston. [484]

"THE BALLARDS
"By G. W. BALLARD"

Mr. Lazarus read from Government's Exhibit 43, the November, 1938 issue of "The Voice," at p. 19.

My husband and I became members of the I Am at the same time. We were in the movement at all times together and traveled about together. We conducted classes in Chicago, Detroit, Cleveland, Boston, St. Louis, Columbus and Akron, also, Elgin. We were sincere in our teachings. My sincerity began to wane in the summer of 1936, but at this time I didn't communicate with the Ballards about it nor confront them with it. It was something the Ballards had done that caused my doubts and all this time my husband was interested in it and very sincere. I still continued to conduct classes and continued to manifest complete sincerity because there were some thing I continued to believe. I continued to follow the work as I had been doing and I don't recall indicating by word or deed that I was not thoroughly sincere. In December of 1936, I sent a telegram to the Ballards.

(Testimony of Jane Ferguson.)

Said telegram was received in evidence as

DEFENDANTS' EXHIBIT "RR",

and reads as follows:

"The Ballards, Figueroa Hotel, Figueroa & 9 St. Los Angeles.

"To our beloved Ballards and the blessed students in the L A Shrine class Christmas greetings of joy and light. May the expansion of the Christ light be so great during this Christmas season that the city of L A and the shoe world—" (it is written 'shoe' here but it must mean 'whole world')—"will feel its radiance and accept the presence of the Mighty I Am. To each one individually we send love and the wish that this holiday season be a glorious spiritual feast of light and love and the new year be full of the most transcendent experiences you have [485] ever known and your light so expand that you gain your complete freedom in your ascension. Our hearts greatest love and gratitude to the blessed master Jesus and our beloved Saint Germain for their priceless gift of love in these imperishable teachings as given in the blessed books and to our beloved messengers the Ballards. Our deepest love and gratitude for your ceaseless loving faithfulness and willingness to be the channel for this ascended master message to come through. All light love blessings until the ascension marks your eternal victory. Lovingly."

"THE FERGUSONS".

(Testimony of Jane Ferguson.)

On February 4, 1935, we received from the Ballards, Government's Exhibit 207. The Messengers referred to therein are all messengers, including my husband and myself, and including the reference to the fact that students might make gifts of money to the messengers. I don't think it was myself and husband who suggested getting money by way of love gifts. My husband wrote a letter dated January 31, 1935, to the Ballards which we sent to them and which is the letter that prompted the reply as contained in the February 4, 1935, letter from the Ballards to us (Government's Exhibit 207).

Said letter of January 31, 1935, was received in evidence as

DEFENDANTS' EXHIBIT "SS",

and reads as follows:

"5666 Ridge Avenue
"Chicago, Illinois
"January 31st, 1935

"Dear Blessed Ballards:

* * * * *

"We think best to tell you Mr. Fergusons impression when he first heard the article 'Condition of Acceptance' read. The quotations,—'that at no time is there ever to [486] be a price set upon them or money to be connected in any way'—'The LIGHT never will be bought with anyone's dollars'—'must be given to others

(Testimony of Jane Ferguson.)

in the same way it is received—without money and without price'—'this condition is retroactive and to it there never can be an exception'. He received the impression from these statements that he was forbidden to give any money for the work. The selfishness of the outer world would gladly seize upon this as an order to give nothing—an order which it is most willing to accept.

"We appreciate that this must not be commercialized or a price set upon it yet we remember your words that 'the Messengers must be supported' and we believe most people are willing to support them if they understood the Law which Jesus commanded—'Freely ye have received freely give'. This law applies to both Messengers and students. But this seems not to be understood in this field, as is the experience of other Messengers as well as ourselves. Mr. F. talked with Mr. Stickle this afternoon and fine that his and Mrs. Bliss' experience is the same as ours. * * *"

* * * * *

"We want to do the perfect thing—we have neither one had a sense of feeling or thought on the money during the class we have been so rejoiced we have something precious to give to whoever comes, but we also realize the best way for the sinister force could stop this teaching would be by suggesting to the students to

(Testimony of Jane Ferguson.)

withhold all financial support, so it would seem from experiences of the Messengers here that the outer has misinterpreted the real meaning and grasp the excuse to not give to help carry on the work which would naturally carry the Messengers [487] along too.

"We note this is partially overcome in the statement on the Application blank used in the New York classes, we would like your permission to use a duplicate of that form.

"We know this resistance must be overcome and we believe that some people feel they want to give and support the teaching from which they receive so much good and yet the conditions sound as though they were forbidden to give.

"I want to tell you my own experience when I went through your class. My I AM told me the amount and at first the outer said—'no half that was enough' but when I took the money from my hoard I just reached in and took out some bills and it was exactly what my 'I AM' had said and I accepted it as the right thing to do. And I am grateful that I did accept for I feel my obedience has brought me blessings.

"We have had calls for afternoon classes but we cannot have classes in the afternoon and evening too and continue to hold the position we have that supports us. We are looking forward to devoting all our time to this blessed

(Testimony of Jane Ferguson.)

work but we feel that the solution of the non-support of this field must be solved—not only for ourselves but the other Messengers as well.

"We expect to start another ten day class Monday Feb 4th and would appreciate a reply before then—if you do not have time to write please wire us a night letter 'collect' * * *"

* * * * * * *

"JANE & IRWIN" [488]

In this letter, defendants' Exhibit "SS", referring to the fact that money from the students would not only carry on the work but also carry on the messengers, we meant that it would carry us on. We could not live on air and we had not reached the point of precipitation. In this letter when it refers to my experiences when I went through the class in which I gave certain moneys and which refers to the fact that my outer self said to give only half a much as I did but in which I was prompted by my I Am Presence to give a greater amount, was my own experience. When we wrote this letter we had in mind giving up our own lucrative employment so that we could devote all of our time to the movement and still be supported. Before my husband started in this movement he was a very intent Bible student. He frequently, during our classes, quoted at length from the Bible. I never attended any classes with Mrs. Bliss nor any classes that she gave. I did attend one group meeting that

(Testimony of Jane Ferguson.)

she conducted. I have heard Mrs. Ballard refer to the Bible as a filthy book. This was in Los Angeles in 1936 at the Shrine Auditorium class and it was this reference to the Bible that caused me to become dissatisfied, but I still struggled to believe. On July 30, 1936, in Chicago, Mr. Ferguson and I conducted a special meeting in which copious quotations were made from the Bible. When we first started to teach, Mr. Ferguson said that we could not do so unless we could use the Bible and Mr. Ballard said, "Surely, I wish to God we knew enough about the Bible so that we could use it." This was in November of 1934. Mrs. Ballard was present when Mr. Ballard made that statement in 1934 about the Bible.

Defendants' Exhibit "TT" was received in evidence.

This is an outline of the class we conducted on July 30, 1936. The Mr. "F" referred to is Mr. Ferguson.

The student referred to in whom marvelous healing was manifested in Government's Exhibit 207 (February 4, 1935) was [489] a Mrs. Billheimer. It is hard to say whether I thought the healing effected was by reason of the I Am teachings because these teachings and the Bible were so closely associated at all times in our teachings but not in the Ballards teachings. Yes, we were let out of the work because the Ballards said that we were not teaching it correctly. However, when I wrote the

(Testimony of Jane Ferguson.)

letter I believed that Mrs. Billheimer had been healed by the I Am teachings.

DEFENDANTS' EXHIBIT "UU"

was received in evidence, and reads as follows:

"Tuesday April 1st. 1935

"Dearly Beloved and Highly Blesst Ballards

"Your letter of March 18th recieved and thru your home we have been advised of your progress across the U. S. and learned from there of your arrival in Los A.

"We thank The 'Mighty Majestic I AM Presence' and The Legion Of Light which we asked to surround and protect you on that drive, for your safe arrival.

"The outpouring of DIVINE LOVE, POWER, AND WISDOM on *thos* Blessed Students of THE LIGHT in Toledo was and is nothing less than MIRACULOUS. Greater peace, harmony and acceptance could not be manifest than was there. The place of meeting, the care for our comfort and all were PERFECT. Sixty Eight were qualified to enter into the fellowship of THE ASCENDED MASTERS—it was GLORIOUS.

"We were most highly blest in having JESUS stand by us the last two nights—HE was seen by three in the audience on the last night—Mrs. Pinkerton was one who saw him.

(Testimony of Jane Ferguson.)

And Mrs. Ferguson and I were seen to be encompassed in the Golden Light at the same time. We hope you saw it too."

* * * * * * *

"If and when Saint Germain desires us to go out on [490] this glorious BEARING OF THE LIGHT—we will quickly arrange to go.

"One mighty thing came forth one night after one present had tried to induce us to use some of the things he had received from an unknown source—The voice said—'We as Messengers OF THE LIGHT UNDER SAINT GERMAIN teach NOTHING BELOW THE ASCENSION—we are not interested in teachings BELOW THE ASCENSION—ONLY THOSE WHO HAVE MADE THE ASCENSION CAN TELL US HOW IT IS ACCOMPLISHED AND OUR TEACHERS, JESUS AND SAINT GERMAIN ARE NEVER DYING TEACHERS—THEY WILL NEVER FAIL US—THEY WILL NEVER DO ANYTHING THAT IS LESS THAN PERFECTION AND THEY WILL CONTINUE TO GIVE US TEACHING AS FAST AS WE CAN ASSIMILATE IT, AND THEY WILL KEEP GIVING US MORE AND MORE—WE NEED NOT LOOK ELSEWHERE FOR ALL THAT WE SHALL EVER NEED.

"One student blessed us for making him aware that Unveiled Mysteries is TEACHING

(Testimony of Jane Ferguson.)

FROM ABOVE THE ASCENSION. He said 'I had never before realized that fact.'

* * * * * * *

"THE FERGUSONS,
Messengers of The Light."

This letter dated April 1, 1935, my husband wrote and we sent it to the Ballards.

I have no recollection that it was my husband and I who suggested that the students of the I Am be restricted to reading the literature of the I Am movement. As a matter of fact that students were told all along to confine their reading and their study to the I Am books.

DEFENDANTS' EXHIBIT "VV"

was received in evidence, being a letter dated February 9, 1935, from the Fergusons to the Ballards, reading as follows:

"Feb. 9, 1935
"Chicago

"Dear Blessed Ballards [491]
"Blessed Messengers of The LIGHT

"Your good letter received and we showed it to Mr. Stickle as you desired.

"He is coming out to see us today or tomorrow and he or we will write you after the blessed meeting.

* * * * * * *

"Also to tell you of the wonderful LIGHT

(Testimony of Jane Ferguson.)

received yesterday on John 14-26. JESUS SPEAKING.

"'BUT THE COMFORTER (SAINT GERMAIN) which is THE HOLY BEING WHOM THE FATHER WILL SEND IN MY NAME', "I AM" HE SHALL TEACH YOU ALL THINGS, AND BRING ALL THINGS TO YOUR REMEMBRANCE, WHATSOEVER I HAVE SAID (TAUGHT) UNTO YOU.'

"John 16-13.

"'HOWBEIT WHEN HE (SAINT GERMAIN) THE SPIRIT (BEING) OF TRUTH, IS COME, HE WILL GUIDE YOU INTO ALL TRUTH: FOR HE SHALL NOT SPEAK OF HIMSELF (BY HIS OWN VOLITION) BUT WHATSOEVER HE SHALL HEAR, that SHALL HE SPEAK (TEACH) AND HE WILL SHOW YOU THINGS TO COME.' 'HE SHALL GLORIFY ME: FOR HE SHALL RECIEVE OF MINE, AND SHEW IT UNTO YOU.' SAINT GERMAIN IS IDENTIFIED BY THE WORD 'HE' AND THE TEACHINGS, HE IS GIVING.

"We are shown by this to urge the students to accept no teachings, writings, or suggestions coming from those BELOW THE ASCENSION—for only the ASCENDED BEINGS CAN TEACH US HOW TO ATTAIN THE

(Testimony of Jane Ferguson.)

ASCENSION. THE ONE AND ONLY WAY.

"This came in response to an activity which was uncovered in the Ashville group in passing around so called messages recieved by some who have not awakened to the fact that THE ASCENDED MASTER TEACHINGS INCLUDE EVERY REAL STATEMENT OF TRUTH EVER UTTERED BY ANY ONE. [492] AND THESE MASTERS HAVE WOVEN ALL TRUTH INTO ONE SEAMLESS ROBE. Confusion arises when the student tries to do the weaving of utterances, given by those who have NOT MADE THEIR ASCENSION, into THESE GLORIOUS TEACHINGS.

"Oh Beloved MESSENGERS and TEACHERS, our joy and gratitude is boundless that we were chosen by THE ASCENDED MASTERS to come under THIS GLORIOUS LIGHT 'THE FATHER OF LIGHTS WITH WHOM THERE IS NO VARIABLENESS NOR SHADOW OF TURNING.'

* * * * * * *

"THE FERGUSONS

"Messengers of the LIGHT"

My husband wrote this letter and we sent it.

A letter dated May 7, 1935, to the Ballards was shown to the witness, the letter having at the bottom "By William". The witness said she didn't re-

(Testimony of Jane Ferguson.)

Another letter dated May 16, 1935, was shown to the witness and the witness stated that she recalled receiving this letter from the Ballards.

Said letters were received in evidence as

DEFENDANTS' EXHIBIT "WW",

and read as follows:

"Tuesday, May 7, 1935

"Dear Blessed Messengers, The Ballards—

"We just want to share our joy in telling you of our class just closed Sunday evening—not large but of exceeding high worth.

"Two from Altoona, Pa. and three from Columbus, Ohio were all of one family—three of them Christian Science Practitioners—one of them outstanding and he had such a transcendent experience on the closing night.

"A shaft of light shone over us and we were surrounded with a golden light throughout the evening—this blessed [493] one was so shaken with the power that he could not hold himself quiet until a shaft of light shone directly toward him and at its end the Glorious Saint Germain—this was responded to by—'Speak Lord for thy servant heareth'—and the light ball at the end of the shaft just in front of him exploded and at once the greatest peace came over him. * * *"

* * * * * * *

"We are overjoyed with the reports of your

(Testimony of Jane Ferguson.)

miraculous classes and experiences and we know this is *this is* the fulfillment of the scriptural statement—THE EARTH SHALL BE FILLED WITH THE GLORY OF THE LORD.' * * *

"Shortly after we recieved the MAJESTIC picture of JESUS THE CHRIST, we sent you an order for three of these pictures and a check for payment for those. Now we send you an order for SIX MORE and enclose check for 15.00.

"When Saint Germain desires that we go forth to other cities—we stand ready to do the will of THE MASTERS.

"Our love and blessings enfold you all in deepest gratitude that through you dear ones we were drawn into THE LIGHT."

"The Messengers of LIGHT
"THE FERGUSONS."

"By William".

"Richelieu Hotel
"San Francisco, Calif.
"May 16,-35

"The Fergusons
"Blessed Messengers of Light:

"Your blessed letter of the 7th recieved with check [494] enclosed for $15.00. Miss Majerus will fill your order there in Chicago. We order

(Testimony of Jane Ferguson.)

75 more before leaving L. A. and they should reach there shortly. These marvelous pictures are all hand colored by the artist himself, so they are almost equal to an oil painting.

'We do so deeply rejoice in the splendid work you blessed ones are doing, keep it up the Mighty 'I Am' and Saint Germain will cause you to do the perfect thing you should do at all times.

"How futile have been human vicious attempts to disturb or *interfer* with this work. How true, God, the Mighty 'I Am' Presence in us is our certain Victory."

* * * * * * *

"THE BALLARDS.
"Per. G. W. B."

After we left the Ballard movement my husband and I started "The Free and Independent Students of Truth." I don't think it was exactly a movement.

A circular, mimeographed on legal size paper, beginning: "You shall know the truth and the truth shall make you free," was shown to the witness, and she was asked whether or not she and her husband had had the paper mimeographed. The witness replied, "Yes", and then said she wanted to explain and answered, "No, that they didn't have it mimeographed; that they had nothing to do with circularizing it; that some of the student friends of theirs

(Testimony of Jane Ferguson.)

sent it out but that they had got one; that they were not consulted before it was prepared, to her recollection, but that the Fergusons did furnish the letter of May 18, 1937, to such students. The friends who circulated the letters were the Rydalts in Detroit, a Miss Garrett, Mrs. Hackerson and Mrs. Crook.

The document was marked for identification as Government's Exhibit 210. [495]

A juror asked whether or not the witness had seen Saint Germain as was referred to in Defendants' Exhibit "WW", as having appeared to a student. The witness said she had never seen Saint Germain.

Redirect Examination

In the lectures that were given by Mr. Ferguson and myself, I read the discourses. He did most of the reading and whatever explanation or teaching was given; also, he described the chart. Mr. Ferguson never represented to the classes that he was receiving dictations from Saint Germain. I met Mr. Harry Sieber in November or December of 1934. I saw a copy of Government's Exhibit 87 in November or December of 1934, at least it was very similar. We received such announcements as Government's Exhibit 87 at the early meetings; also, some through the mails. We were told that we were to take all of our instructions from the Ballards, the accredited messengers. I believe every problem that ever came up we went to the Ballard's with. I don't remember any conversation with Mrs. Bal-

(Testimony of Jane Ferguson.)

lard wherein I directed to her what the students should or should not read. This woman, Mrs. Billheimer, referred to in respect to having been healed, had been suffering from a crooked finger. After a meeting her finger became straightened and she said her finger became straightened during Mr. Ferguson's prayer. I have never seen Jesus. I think Mr. Ferguson typed Defendants' Exhibit "TT"; I don't remember writing it. Most of our supplies came from the Saint Germain Press except for some pictures from the Sindelar Studios.

Thereupon, the Government read certain portions of depositions taken in 1940 from the divorce action of Donald and Marjorie Ballard, the depositions having been given by Mrs. Ballard and Donald Ballard. From the deposition of Mrs. Ballard, given on or about April 11, 1940, the following portions were read by Mr. Neukom: [496]

"Q. And when was he born? (Referring to Donald Ballard).

"A. May 12, 1918.

* * * * * *

"Q. Was he in any way connected with your original activities in the I AM?

"A. He was present at the dictations.

"Q. Where did the dictations take place?

"A. In our own home.

* * * * *

"Q. Then he was connected with your public

(Deposition of Mrs. G. W. Ballard.)

activities at their commencement in 1932, your meetings?

"A. No, he was in school at that time. He did not come on the platform with us until 1934.

"Q. 1934, he commenced appearing in public?

"A. Yes.

"Q. In connection with the activities?

"A. Yes.

* * * * *

"Q. Did Donald make the trips out of the state of California?

"A. Some, not all of them.

"Q. And when he accompanied you out of the state, he always participated in the lectures in other states?

"A. He did.

* * * * *

"Q. Well, do you know if he obtained funds from any source than from you?

"A. I do not, except an occasional love gift from an individual student at Christmas, Easter and his birthday.

"Q. During the time he was married, did he have a regular allowance?

"A. He did.

"Q. Who made the allowance to him?

"A. I did. Mr. Ballard and I, until Mr. Ballard's ascension.

* * * * *

(Deposition of Mrs. G. W. Ballard.)

"Q. Did the Saint Germain Press ever issue any checks to him?

"Q. You mean the corporation?

"Q. Yes.

"A. Yes, since it was incorporated, I have drawn his allowances from the Saint Germain Press. [497]

* * * * *

"Q. And did the Saint Germain Press, when it was a partnership, issue any checks to him?

"A. Yes.

"Q. It did?

"A. That was his allowance.

* * * * *

"Q. Has his participation changed any in it since G. W. Ballard's death?

"A. Why, yes.

"Q. In what way?

"A. Because he is on the platform and takes half of the lecture work with me, and before he only took a third.

"Q. He took a third of the class?

"A. About that.

* * * * *

"The Court: The following question is, 'Of lectures before?' Then the answer, 'I wouldn't say a third, he was there part of the time.

* * * * *

"Q. Well, do you receive money through the mail?

(Deposition of Mrs. G. W. Ballard.)

"A. For what?

* * * * *

"A. The Saint Germain Press does not so often, but the Saint Germain Foundation receives and I receive some money for healing.

"Q. When you are giving your lectures to the classes, Donald's name is used as one of the authorized messengers of Saint Germain?

"A. It has been.

"Q. Is it still?

"A. In the past, yes; and at present it is.

"Q. Hasn't it always been?

"A. Yes, I think so, as far as I recall. The first names that were used on the advertising were Mr. and Mrs. G. W. Ballard and son Donald.

* * * * *

"Q. In the past have you set any particular sum of money per month which you paid Donald?

"A. His allowance, you mean?

"Q. Yes, his allowance.

"A. Yes.

"Q. What was that sum?

"A. $500.

"Q. And how was that sum to be used?

"A. He paid the rent and his household expenses out of it, and their living expenses.

[498]

"Q. And how long have you given him that sum of money?

(Deposition of Mrs. G. W. Ballard.)

"A. Ever since he was married.

Will it be stipulated that Donald Ballard married Marjorie Ballard in December of 1936?

* * * * *

Mr. Peterson: So stipulated.

Thereupon Mr. Neukom read from a deposition given by Donald Ballard in the same action on May 6, 1940:

"Q. During 1937, 1938 and 1939, were you engaged in any occupation other than the I AM activities, for money?

"A. No.

"Q. Since December 22, 1936, have you actively participated in the I AM activities?

"A. I have.

"Q. Had you done so prior to that time?

"A. Yes.

"Q. Have you yourself had any experience with the Ascended Master Saint Germain?

"A. No, I have not.

* * * * *

"Q. Have you referred to yourself as one of the Accredited Messengers of the Ascended Master Saint Germain?

"A. Yes.

* * * * *

"A. I spoke to the young people in similar manner to that which Mr. and Mrs. Ballard spoke to the older people.

* * * * *

(Deposition of Donald Ballard.)

"Q. Were you in charge of the young people's meetings?

"A. Some of them, yes.

* * * * *

"Q. At the present time are you actively engaged in the I AM activities?

"A. Yes, I am.

"Q. Now, in the magazine called, 'The Voice,' is that published in connection with the I AM activities?

"A. It is.

"Q. You yourself write articles for that magazine, do you not?

"A. I have in the past." [499]

Exception No. 79

The Government moved to limit the application of letters in Exhibit 203 (the so-called Mount Shasta letters) to the defendant, Mrs. Ballard, for the reason that the books were not published then, that is, in 1930; nor had there been any meeting in Chicago prior to that time.

Objection to such limitation was made upon the ground that the allegations of the indictment as to when the conspiracy began was in 1930, and on the further ground that the documents were already in evidence and had been read to the jury as against all defendants, and the error that was committed could not be cured by limitation at this time.

The motion of the Government was granted and

exception allowed to the defendant, and the jury instructed that the Exhibit will pertain only to the defendant, Edna Ballard.

Thereupon, the Government rested.

Thereupon, the Court dismissed "Count I", so far as it applied to the check for $20.00, dated December 20, 1938, payable to Mrs. G. W. Ballard from Muriel L. Bliss. The remaining portion of the "Count" to stand, however, as repeated in the other Counts. [500]

Upon the Court's own motion, that portion of Count 1 reading as follows:

> "That the defendants, on or about December 20, 1938, then having devised the said scheme and artifice, for the purpose of executing the same and attempting so to do, at Los Angeles, County of Los Angeles, state, division and district aforesaid, and within the jurisdiction of the United States and of this Honorable Court, unlawfully and feloniously did knowingly cause to be delivered by mail according to the directions thereon, a certain check in a postpaid envelope addressed to Mrs. G. W. Ballard, at Los Angeles, California, which said check had theretofore been deposited in the Post Office Establishment of the United States for mailing and delivery, and which said check was thereafter delivered to said addressee by the Post Office Establishment of the United States at such address, and within the Central Division of the Southern District of California, and

within the jurisdiction of the United States and of this Honorable Court, and which said check was of the following tenor, to wit:"

"And it is marked as Government's Exhibit 115, Chicago, December 20, 1938, drawn on the Uptown State Bank, Uptown Bank Building, pay to the order of Mrs. G. W. Ballard, $20, and in type, $20, signed Muriel L. Bliss. The endorsement is of Mrs. G. W. Ballard and G. W. Ballard."

was stricken with the understanding that the other portions of said Count 1 which are by reference referred to in the other Counts were to remain. [501]

Exception No. 80

Thereupon, pursuant to stipulation of the parties that each motion be deemed to be made as to each defendant and as to each and every count without the necessity of repetition, defendants moved to strike out the following oral and documentary evidence, to wit:

(1) Exhibit 69.

Grounds: That the exhibit constitutes no proof of scheme to defraud and contains no fraudulent misrepresentations.

(2) Exhibit 70.

Grounds: That there was no proof of any scheme, or of any fraud, and that the letter constitutes purely a private transaction between Mr. Ballard and Mr. Sieber, not connected in any way with the scheme.

(3) Testimony of Harry Sieber that after the receipt of Exhibit 68 by him expenses were taken out of the receipts of love gifts and the balance divided fifty-fifty.

Grounds: That the financial affairs do not prove any scheme; is immaterial and is in no way connected with the scheme to defraud.

(4) Exhibit 74.

That it has not been connected with any scheme; no showing anyone acted in reliance thereon and no disproof of any of the statements contained therein.

(5) Exhibit 72.

Grounds: That the letter had not been connected with any scheme to defraud; it contains no fraudulent representations; no disproof of any nature as to the existence of ascended masters.

(6) Testimony of Harry Sieber to the effect that Mr. Sieber had never seen Saint Germain.

Grounds: Immaterial; negative evidence. No founda- [502] tion that he was present at all times when Saint Germain appeared; no showing that the appearance of Saint Germain constituted any part or portion of any scheme.

(7) Testimony of Harry Sieber to the effect that he saw Mrs. Ballard working on a manuscript which she stated to be the manuscript of the "Magic Presence".

Grounds: Immaterial; not connected up. No showing work was original or any more than cor-

rection of typographical errors. That it sought to impose upon the jury a course of conduct of piling inference upon inference.

(8) Exhibit 78.

Grounds: Immaterial.

(9) Exhibit 79.

Grounds: Immaterial and not having been connected with any scheme.

(10) Exhibit 80.

Grounds: Immaterial and requiring jury to pile inference upon inference.

(11) Exhibit 82.

Grounds: Immaterial and not connected with any scheme to defraud.

(12) Testimony of Harry Sieber relative to contents of circular letter (Exhibit 87).

Grounds: Not best evidence. No foundation laid.

(13) Exhibit 83.

Grounds: Immaterial and failure to connect with any scheme to defraud.

(14) Exhibit 88.

Grounds: Immaterial.

(15) Exhibit 92.

Grounds: Immaterial; not connected with any scheme to defraud. No showing anyone acted thereon. [503]

(16) Exhibit 93.

Grounds: Speculative and conjectural; calls on jury to speculate as to existence of ascended masters and their abilities.

(17) Exhibit 94.

Grounds: Immaterial; calls for speculation and conjecture as to experiences with ascended masters and contrary to instruction heretofore given to the jury.

(18) Testimony of Mr. Gysi wherein he states that manuscript which he said was "'Magic Presence" that Mrs. Ballard had with her always.

Grounds: Conclusion; no foundation.

(19) From Exhibit 4, page XI, pertaining to the statement that the experiences were actual experiences with Saint Germain.

Grounds: Calls for speculation, conjecture of jury.

(20) Exhibit 96.

Grounds: Calls for speculation of jury as to verity of experience of Mr. Sindelar.

(21) Exhibit 97.

Grounds: Calls for speculation of jury as to verity of experience of Mr. Sindelar.

(22) Exhibit 98.

Grounds: Immaterial; not connected with scheme to defraud.

(23) That portion of Exhibit 12, April 1936 issue of "The Voice" magazine, page 4, "The colors of red and black are never, never, never used by an ascended master."

Grounds: Immaterial; calls for conjecture as to existence and conduct of ascended masters.

(24) Reference to colors contained in "The Voice" [504] magazine, August 1937 issue, page 18, Government's Exhibit 28.

Grounds: Immaterial; calls for conjecture as to existence and conduct of ascended masters.

(25) Exhibit 100.

Grounds: Immaterial; private communication not connected with scheme to defraud; no showing anyone relied thereon.

(26) Testimony of Mr. Gysi, "We did not receive any instructions from Saint Germain not to have the class."

Ground: Conclusion; no showing Ballards had no such communication.

(27) Exhibit 101.

Ground: Immaterial; calls for speculation as to existence of ascended masters.

(28) Testimony of Mr. Gysi relative to division of receipts.

Grounds: Immaterial and particularly failing to show net after deduction of expenses.

(29) Exhibit 103.

Grounds: Immaterial; calls for speculation as to existence of ascended masters.

(30) Testimony of Harry Rogers, "I did not see Mrs. Ballard do anything", in reference to telegrams that had come in.

Grounds: Negative testimony; no foundation; no showing she might not have done something without presence of witness.

(31) Exhibit 108.

Grounds: Immaterial; calls for speculation as to existence of ascended masters.

(32) Exhibit 109.

Grounds: Calls for speculation as to existence of ascended masters; contrary to instructions of the court; im- [505] material.

(33) Testimony of Margaret Schall to the effect that Mrs. Ballard said that if one followed the teachings in the books, naturally one would be able to heal.

Grounds: Immaterial and incompetent, and no disproof of ability of teachers to accomplish results.

(34). Portion of Exhibit 29, September 1937 issue of "The Voice" magazine, page 21, relating to statement that Saint Germain had done certain things.

Grounds: No disproof, and calls for speculation as to existence of ascended masters.

(35) From Exhibit 8, pages 86 and 87, "The words are flashed before the physical eyes of this good messenger."

Grounds: No disproof of fact and calls for speculation and conjecture.

(36) From Exhibit 48, April 1939 issue of "The Voice" magazine, page 14, pertaining to dictations coming through Ray of Light.

Grounds: No disproof of fact and calls on jury to speculate as to existence of Saint Germain and belief of defendants therein.

(37) Testimony of Margaret Schall to the effect Mrs. Ballard stated ascended masters would take over coming golden age.

Grounds: No disproof of this revelation of future event; not connected with any scheme laid in indictment.

(38) Portion of Exhibit 50, July 1936 issue of "The Voice" magazine, page 15, relating to Los Angeles, New York and Washington being oversupplied with the "love".

Grounds: Immaterial.

(39) Testimony of Margaret Schall to the effect that at different classes she gave certain money.

Grounds: No materiality. [506]

(40) That portion of Exhibit 5, pages 118 and 119, relating to the subject matter of precipitation.

Grounds: Not connected with any scheme laid in indictment; calls for speculation.

(41) Testimony of Mrs. Schall wherein she states "Mrs. Ballard also said that 'if you want money, jewels an automobile, or whatever you want, ask your "I Am" Presence to get it.'"

Grounds: Immaterial and shows no representation of personal power on part of defendants.

(42) Part of Exhibit 89 pertaining to experiences of David Lloyd with ascended masters.

Grounds: Calls for speculation as to existence of ascended masters and verity of experiences had with ascended masters.

(43) Statement of Margaret Schall "From statements made to me, I believed I would be able to precipitate all of the objects I desired."

Grounds: Conclusion; no foundation laid.

(44) Statement of Margaret Schall, "It was those representations that caused me to buy the books and to contribute love gifts."

Grounds: Uncertain and ambiguous.

(45) Statement of Margaret Schall to the effect that the Ballards stated experiences in "Unveiled Mysteries" and the "Magic Presence" were true experiences.

Grounds: Calls for speculation as to verity of existence and belief in existence of ascended masters.

(46) From Exhibit 10, the February 1936 issue of "The Voice" magazine, pages 7 and 8, reference to dictation of Jesus the Christ.

Grounds: Calls for speculation of jury as to [507] verity of existence of Jesus and experiences of defendants with Him.

(47) Statement of Margaret Schall that the Ballards stated ascended masters made visual, visible, tangible appearance.

Grounds: Calls for speculation and conjecture as to verity of Ballards' experiences with ascended masters.

(48) Portion of Exhibit 104, Group Leader Letter of December 17, 1937, which recites experiences had with ascended masters, including Jesus.

Grounds: Calls for speculation as to verity of existence and experiences with ascended masters.

(49) Testimony of Mrs. Schall to effect she heard the subject matter of cataclysms mentioned

by the Ballards and pertaining to gas belts.

Grounds: Immaterial. No showing part of any scheme and calls for speculation as to verity of opinions of the Ballards.

(50) From Exhibit 29, September 1937 issue of "The Voice" magazine, page 3, wherein ascended master expresses gratitude to student body.

Grounds: Calls for speculation as to existence of and experiences with ascended masters.

(51) Testimony of Mrs. Schall, "I heard both Mr. and Mrs. Ballard talk about black magicians."

Grounds: Immaterial. No part of any scheme. Calls for speculation as to verity of and experiences with these powers.

(52) From Exhibit 8, page 139, reference to black magicians.

Grounds: No disproof as to recitals; not connected with any scheme; calls for speculation.

(53) From Government's Exhibit 55, November 1939 issue [508] of "The Voice" magazine, relating to Ascended Master Jesus' Discourse on healing.

Grounds: No disproof; calls for speculation.

(54) From Exhibit 47, March 1939 issue of "The Voice" magazine, pages 6 and 7, relating to trip to India and matters of healing.

Grounds: No disproof; calls for speculation.

(55) Testimony of Mrs. Schall, "I did not observe any healings being made by the messengers' call."

Grounds: Negative testimony and no disproof of any actual healing.

(56) Testimony of Mrs. Schall to the effect Mr. Ballard told her of woman with cancer in throat.

Grounds: No disproof; calls for speculation.

(57) Testimony of Mrs. Schall and reference in Exhibit 104, January 1938 issue of "The Voice" Magazine, relative to kidnapping of Donald and Marjorie.

Grounds: Not connected with scheme laid in indictment.

(58) From Exhibit 56, December 1939 issue of "The Voice" magazine, referring to use and autographing of books of Saint Germain Series.

Grounds: Immaterial; no connection with any alleged scheme laid in indictment.

(59) From Exhibit 62, June 1940 issue of "The Voice" magazine, page 11, referring to "doubting".

Grounds: Immaterial.

(60) Testimony of Mrs. Schall relative to discourses of ascended master David Lloyd on compassion and sympathy.

Grounds: Immaterial; calls for speculation as to existence of ascended masters.

(61) Testimony of Mrs. Schall to effect she heard Mrs. [509] Ballard say "Organized charities were not proceeding in right way."

Grounds: Immaterial; not connected with any scheme alleged in the indictment.

(62) From Exhibit 18, October 1936 issue of "The Voice" magazine, page 22, reference to black magicians.

Grounds: Immaterial; speculation as to existence or experiences with these powers.

(63) That portion of Exhibit 110 referring to Ballards' wanting people to be present at meeting and do certain work.

Grounds: Immaterial; private communication; no misrepresentation; no showing of any alleged scheme.

(64) Testimony of Mrs. Meyer that Mr. Rogers stated that there were three telegrams he didn't want to answer.

Grounds: Conclusion.

(65) Testimony of Mrs. Meyer to effect Mrs. Ballard had no time to give to a certain woman.

Grounds: Immaterial; no connection with scheme laid in indictment.

(66) Portion of Exhibit 89, at page 18, "Unveiled Mysteries", relating to statements made by one of the ascended masters.

Grounds: Calls for speculation of existence of and experiences with ascended masters.

(67) From Exhibit 89, page 29, relating to experiences of Mr. Ballard with Saint Germain.

Grounds: Calls for speculation of existence of and experiences with ascended masters.

(68) Reading from letter (no exhibit) reciting that Mrs. Bliss appointed messenger purportedly typed "Saint Germain".

Grounds: Calls for speculation as to verity of existence of ascended masters.

(69) Personal letter signed "Saint Germain" in

typing addressed to Mrs. Bliss, dated September 28, 1934 (not an exhibit) [510] pertaining to personal admonitions to Mrs. Bliss.

Grounds: Calls for conjecture as to existence of ascended masters and belief of defendants therein.

(70) Testimony of Mrs. Bliss, "I was told that ascension could take place while you were still a living physical being."

Grounds: No disproof calls for jury to speculate as to verity of future event.

(71) Testimony of Mrs. Bliss that Ballards referred to ascension of Jesus.

Grounds: Calls for speculation.

(72) Testimony of Mrs. Bliss the Ballards said that people who were going in the United States would ascend from the Royal Teton Mountains.

Grounds: Calls for conjecture as to verity of religious belief.

(73) From Exhibit 17, September 1936 issue of "The Voice" magazine, page 20, pertaining to message from one of ascended masters.

Grounds: Calls for speculation as to verity of and belief in existence of ascended masters.

(74) The reading from Exhibit 58, February 1940 issue of "The Voice" magazine page 32.

Grounds: Calls for speculation as to verity of and belief in existence of ascended masters.

(75) From Exhibit 46, February 1939 issue of "The Voice" magazine, page 19, relative to message from ascended master.

Grounds: Calls for speculation as to verity of and belief in existence of ascended masters.

(76) From Exhibit 52, October 1939 issue of "The Voice" magazine at pages 32 and 33, referring to Saint Germain's explanation of new dispensation. [511]

Grounds: Calls for speculation and conjecture of jury on verity of existence and experiences with ascended masters.

(77) Testimony of Mrs. Bliss, "I have heard Mr. and Mrs. Ballard comment upon their ability to heal people."

Grounds: Conclusion of the witness. Irrelevant.

(78) From Exhibit 54, October 1939 issue of "The Voice" magazine, to effect no dictations conflicting.

Grounds: Immaterial; no part of scheme laid in indictment; calls for speculation.

(79) From Exhibit 32, December 1939 issue of "The Voice" magazine, page 8, being a statement of ascended master.

Grounds: Calls for jury to speculate as to existence of ascended masters and as to verity of prayers of people for certain results.

(80) From Exhibit 48, April 1939 issue of "The Voice" magazine, page 7, dictation from Saint Germain.

Grounds: Calls for speculation as to verity of and experiences with ascended masters.

(81) Testimony of Dr. Cottam relative to inviting Mr. Ballard to make trip with him.

Grounds: Immaterial; no part of scheme laid in indictment; calls for speculation.

(82) Exhibit 119 (Killen letters).

Grounds: Too remote; immaterial; no part of scheme laid in indictment; no showing Miss Killen or any other person acted thereon.

(83) Exhibit 120.

Grounds: No disproof of matters discussed therein; no connection with any scheme laid in indictment; calls for speculation.

(84) Exhibit 121. [512]

Grounds: Immaterial.

(85) From Exhibit 29, September 1937 issue of "The Voice" magazine, page 3, pertaining to messengers being in city and assistance they might give.

Grounds: Ambiguous; speculative.

(86) From Exhibit 39, July 1938 issue of "The Voice" magazine, page 11, referring to statement of ascended master.

Grounds: Calls for speculation. Immaterial.

(87) From Exhibit 42, page 8, relating to experiences with ascended master.

Grounds: Calls for speculation as to verity of events and existence of ascended masters.

(88) From Exhibit 42, "The Voice" magazine, page 23, pertaining to whether or not people could receive certain things.

Grounds: Calls for speculation relative to existence and powers of ascended masters.

(89) From Exhibit 53, September 1939 issue of

"The Voice" magazine, pertaining to wisdom of messengers being supreme.

Grounds: Calls for speculation as to existence of ascended masters.

(90) From Exhibit 33, January 1938 issue of "The Voice" magazine, page 3, relating to devastation.

Grounds: Immaterial; calls for speculation.

(91) Testimony of Mrs. Bliss relative to believing statements pertaining to cataclysm.

Grounds: Statement merely opinion; no disproof; calls for speculation.

(92) Exhibit 122.

Grounds: Calls for speculation.

(93) Exhibit 123 referring to appearance of Jesus and painting of picture and presence of Ballards in Park. [513]

Grounds: No disproof; calls for speculation.

(94) From Exhibit 55, November 1939 issue of "The Voice" magazine, page 8, being a discussion by ascended master.

Grounds: Calls for speculation of verity of existence of and belief in ascended masters.

(95) From "Magic Presence", p. 363 and 364, experiences of Mr. Ballard with ascended masters.

Grounds: Calls for speculation as to experiences of Mr. Ballard with ascended masters.

(96) From editor's note in same book, "Magic Presence".

Grounds: Calls for speculation as to existence of and belief in ascended masters.

(97) From Exhibit 47, page 7, discourses relative to healing.

Grounds: Calls for speculation.

(98) From Exhibit 10, February 1936 issue of "The Voice" magazine, pertaining to statement of ascended masters.

Grounds: Calls for speculation.

(99) Statement of Mrs. Bliss that she had never seen messengers heal anyone.

Grounds: Negative testimony. Immaterial.

(100) Exhibit 126.

Grounds: Calls for speculation and conjecture.

(101) From Exhibit 6, page 177, "If you could see what was going on, you would be surprised."

Grounds: Immaterial.

(102) Testimony of Mrs. Bliss relative to Mr. Ballard's statement in Wyoming that he felt too ill to proceed with trip.

Grounds: Immaterial and not connected with any scheme to defraud.

(103) From Exhibit 89, pages 111 et seq., pertaining to experiences of ascended masters. [514]

Grounds: Calls for speculation as to verity of ascended masters.

(104) From Exhibit 39, July 1938 issue of "The Voice" magazine, pages 35 and 36, relating to music of witness Mrs. LaFerrera.

Grounds: Immaterial; no disproof of statements, and not connected with scheme laid in indictment.

(105) From Exhibit 43, November 1938 issue of

"The Voice" magazine, page 48, relating to new songs.

Grounds: Immaterial; no disproof of statements, and not connected with scheme laid in indictment.

(106) Testimony of Mrs. LaFerrera "I recall no conversation with Mr. Ballard about their having any healing power. There was no such conversation."

Grounds: Incompetent; immaterial.

(107) From Exhibit 49, May 1937 issue of "The Voice" magazine, page 50, referring to music.

Grounds: Immaterial.

(108) Testimony of Mrs. LaFerrera that Mr. Ballard told her while she was playing a song that the Goddess of Light had appeared to him.

Grounds: Calls for speculation.

(109) Testimony of Mrs. La Ferrera, "I saw no Goddess of Light, nor did Mr. Ballard make any comment upon it."

Grounds: Negative testimony; immaterial.

(110) Testimony of Mrs. LaFerrera relative to Mr. Stickell stating that he didn't believe all the San Francisco love gifts had been given to him.

Grounds: Immaterial; not connected with scheme laid in indictment.

(111) Testimony of Mrs. LaFerrera relative to conduct of staff meeting. [515]

Grounds: Immaterial; not connected with scheme laid in indictment.

(112) Testimony of Mrs. LaFerrera, "I never

saw Saint Germain or the Divine Director during these meetings."

Grounds: Calls for speculation.

(113) From Exhibit 11, March 1936 issue of "The Voice" magazine, page 16, relating to Royal Tetons and council chamber.

Grounds: Calls for speculation; not connected with any scheme laid in indictment.

(114) Testimony of Mrs. LaFerrera that while she was at Royal Tetons she didn't go down two thousand feet.

Grounds: Immaterial; negative testimony.

(115) Testimony of Mrs. LaFerrera that she was told by Mr. Ballard to reply to any questions as to whether she had seen Saint Germain that she was not permitted to discuss it.

Grounds: Immaterial; not connected with scheme laid in indictment.

(116) Testimony of Mrs. LaFerrera relative to statements about dismissals from staff and as to what would happen to dismissed staff members.

Grounds: Immaterial; no charge of any threat or violence in indictment; calls for speculation.

(117) Testimony of Mrs. LaFerrera and reading from Exhibit 54, October 1939 issue of "The Voice" magazine, referring to K-17.

Grounds: Calls for speculation; no disproof; not connected with any scheme laid in indictment.

(118) From Exhibit 54, October 1939 issue of "The Voice" magazine referring to G-men and intelligence service.

Grounds: Immaterial and speculative.

(119) From dictations of August 17, Government's Exhibit 129, referring to necessity of staff members keeping harmony.

Grounds: Immaterial; private communication; not [516] connected with any scheme laid in indictment, and calls for speculation as to existence of ascended masters.

(120) Exhibit 130.

Grounds: Immaterial; pertains to no scheme laid in indictment.

(121) Testimony of Mrs. Hill relative to cataclysms in Chicago and to conversation with Miss Majerus pertaining to keeping money out of bank.

Grounds: Immaterial; no connection with scheme laid in indictment.

(122) From "Unveiled Mysteries", page 10, relative to books of the Saint Germain series bound in covers of jewels.

Grounds: Immaterial; not connected with the scheme laid in indictment.

(123) Testimony of Mrs. Hill relating a conversation with Mrs. Ballard relative to "Prince of the House of David."

Grounds: Immaterial; not connected with any scheme laid in indictment.

(124) From Exhibit 32, December, 1937 issue of "The Voice" magazine, page 3, relative to Jesus' Discourse pertaining to ascension.

Grounds: Immaterial; no disproof and not within any of the issues of indictment.

(125) Testimony of Mrs. Hill relating to Mrs. Ballard commenting about the entities around the women in the reading room with a shopping bag.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(126) Testimony of Mrs. Hill relating to black magicians.

Grounds: Calls for speculation; immaterial; not connected with any scheme laid in indictment. [517]

(127) From Exhibit 45, January 1939 issue of "The Voice" magazine, page 9, relating to black magicians.

Grounds: Calls for speculation; immaterial; not connected with any scheme laid in indictment.

(128) Exhibit 132.

Grounds: Immaterial; no connection with any scheme laid in indictment.

(129) Letter from Brother Bill, dated May 20, 1937 (no Exhibit number), said letter relating to Denver as having plenty to crack.

Grounds: Immaterial; no connection with any scheme laid in indictment:

(130) Testimony of Mrs. Hill to the effect she heard Mr. Cassiere give decrees on cataclysms.

Grounds: Immaterial; calls for speculation of jury, and does not contain representation as to a present or past event.

(131) Exhibit 133.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(132) Exhibit 4, page 45, referring to experiences of the author.

Grounds: Immaterial; calls for speculation as to verity of existence of ascended masters.

(133) From Exhibit 135, letter of July 23, 1936, particularly the portion relating to Mrs. Ballard doing work on manuscript.

Grounds: Immaterial; calls for speculation; not connected with any scheme laid in indictment.

(134) From Exhibit 135, particularly from letter of August 8, 1935, referring to Mrs. Mundy's aunt in San Diego and shipping of certain books. [518]

Grounds: Immaterial; no connection with any scheme laid in indictment.

(135) Testimony of Mrs. Hill that Mr. Stickell told her he had seen Saint Germain.

Grounds: Immaterial; calls for speculation as to verity of existence of ascended masters.

(136) Exhibit 138.

Grounds: Immaterial.

(137) Testimony of Pat Crouse relating to form letters.

Grounds: Immaterial and constitutes no proof of scheme to defraud.

(138) Testimony of Mr. Crouse referring to another book of forms.

Grounds: Immaterial and constitutes no proof of scheme to defraud.

(139) Exhibits 136 and 137.

Grounds: Immaterial and constitutes no proof of scheme to defraud.

(140) Testimony of Mr. Crouse to the effect Mrs. Ballard told him no acknowledgment should be made of love gifts.

Grounds: Immaterial.

(141) Testimony of Mr. Crouse relative to changing forms of Exhibits 136 and 137.

Grounds: Immaterial; no proof of any scheme as laid in indictment.

(142) Testimony of Mr. Crouse referring to amounts of money retained ($1500).

Grounds: Immaterial.

(143) Exhibit 105.

Grounds: Too remote, since it refers to times earlier than 1929; immaterial; not connected with any scheme laid in indictment. [519]

(144) Exhibit 104; and testimony of Mr. Crouse relating to ascension of Mr. Kelly.

Grounds: Immaterial; no disproof and no connection with any scheme laid in indictment.

(145) From Exhibit 59, March 1940 issue of "The Voice" magazine, page 41, referring to ascension and pictures of students.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(146) From Exhibit 59, March 1940 issue of "The Voice" magazine, page 34, relating to Mr. Ballard's ascension in Honolulu.

Grounds: Calls for speculation; no disproof.

(147) From Exhibit 57, January 1941 issue of "The Voice" magazine, page 26, referring to ascension of Mr. Ballard in 1939.

Grounds: Calls for speculation; no disproof.

(148) From Exhibit 57, January 1941 issue of "The Voice" magazine, page 28, referring to dispensations.

Grounds: Calls for speculation; no disproof.

(149) From Exhibit 4 (the Magic Presence), page 390, referring to experiences with Saint Germain.

Grounds: Immaterial; calls for speculation as to existence of ascended masters.

(150) Testimony of Mr. Crouse referring to Jesus' Morning Discourse and changing of certain words written down by Mrs. Mundy.

Grounds: Immaterial; conclusions of witness.

(151) Exhibit 141.

Grounds: Immaterial; conclusions of witness.

(152) Testimony of Mr. Crouse to the effect Mrs. Mundy told him she took down discourses as given.

Grounds: Immaterial. [520]

(153) From Exhibit 8 (Ascended Master Light), referring to speed of dictations.

Grounds: Immaterial; calls for speculation as to verity of existence of ascended masters.

(154) From Exhibit 6, page IX, relating to dictations appearing in words of light.

Grounds: Immaterial; calls for speculation.

(155) Testimony of Mr. Crouse relating to ascended masfer Ray O Light.

Grounds: Calls for a speculation as to verity of existence of ascended masters.

(156) Testimony of Mr. Crouse relating to Goddess of Liberty.

Grounds: Calls for speculation on verity of existence of ascended masters.

(157) Testimony of Mr. Crouse referring to financial reports (Exhibit 142).

Grounds: Immaterial; no foundation, having failed to show net income; no connection with any scheme to defraud.

(158) Testimony of Mr. Crouse relative to conversation about going to cities throughout the United States.

Grounds: Immaterial.

(159) Testimony of Mr. Crouse relative to dictation instructing messengers not to go where expenses could not be made.

Grounds: Immaterial; calls for speculation.

(160) Testimony of Mr. Crouse referring to statement of Mrs. Mundy relative to difficulties of keeping accounting records.

Grounds: Immaterial; no connection with any scheme laid in indictment.

(161) Testimony of Mr. Crouse referring to memos that [521] were made (Government's Exhibit 143).

Grounds: Immaterial; no connection with any scheme to defraud.

(162) Exhibit 145.

Grounds: Immaterial; calls for speculation as to existence of ascended masters; not connected with any scheme laid in indictment.

(163) Testimony of Mr. Crouse referring to comments of the Ballards about appearance of ascended masters in their classes, but that the witness had never seen one.

Grounds: Calls for speculation; negative testimony; immaterial.

(164) Testimony of Mr. Crouse relating to failure of ascended masters to appear and that they were told failure was due to a lack of harmony.

Grounds: Immaterial and no disproof.

(165) Testimony of Mr. Crouse referring to statement made by Mr. Cassiere about amount of love gifts at various cities.

Grounds: Immaterial.

(166) Testimony of Mr. Crouse relating statements by Mr. Stickell pertaining to amount of love gifts.

Grounds: Immaterial; conclusion; no foundation.

(167) Testimony of Mr. Crouse to the effect he heard Mrs. Ballard state about curing people of cancer, and that he had never heard any people say to the Ballards that they were cured of cancer.

Grounds: Immaterial; calls for speculation; negative testimony.

(168) Exhibit 104, pertaining to x-rays taken of student claiming to have been cured.

Grounds: Calls for speculation; immaterial.

(169) Testimony of Mr. Crouse to the effect he had [522] never heard anyone say they had been cured of cancer.

Grounds: Immaterial; negative testimony.

(170) From Exhibit 58, page 35, announcement referring to pictures of Mr. Ballard.

Grounds: Immaterial; no connection with any scheme laid in indictment.

(171) From Exhibit 55, page 12, November 1939 issue of "The Voice" magazine, to the effect that messengers had performed unparalleled healings and were under no obligation to continue their work.

Grounds: Immaterial; calls for speculation upon the appearance and existence of ascended masters.

(172) From Exhibit 62, August 1939 issue of "The Voice" magazine, page 25, to the effect that "You hear little of it, but you must have observed the work of the messengers."

Grounds: Immaterial; calls for speculation upon existence of ascended masters; no disproof.

(173) Testimony of Mr. Crouse pertaining to conversation with Donald Ballard as to whether Jesus had put his arms about Mrs. Ballard.

Grounds: Conclusions; calls for speculation as to existence and verity of events.

(174) Testimony of Madge King to the effect that Mr. Ballard stated that a man who was going to the radio station was killed when his car overturned.

Grounds: Immaterial; no disproof; calls for speculatjon.

(175) Testimony of Madge King wherein she recited that Mr. Ballard gave a discourse at the meeting.

Grounds: Immaterial; no disproof thereof; calls for speculation.

(176) Testimony of Madge King wherein she referred to [523] Mr. Ballard's statement in his dictation about a disaster in South America and in which she says Mr. Ballard said "I won't say that it will happen in New York."

Grounds: Immaterial.

(177) Testimony of Madge King in which she recited Mr. Ballard told about airplanes coming from Europe.

Grounds: Immaterial; no disproof; calls for speculation.

(178) Testimony of Madge King to the effect that Mr. Ballard's voice, when he started dictation, was deep and then changed, and that he didn't indicate when the dictation finished and he started.

Grounds: Immaterial; calls for speculation.

(179) Exhibit 149.

Grounds: Immaterial.

(180) Testimony of Evelyn M. Brown that she had been given money by Inspector Van Meter to purchase record.

Grounds: Immaterial; no connection with any alleged scheme laid in indictment.

(181) That portion of Exhibit 64, August 1940 issue of "The Voice" magazine, page 39, relative to the new record being of a blue material, and relative to cost thereof.

Grounds: Immaterial; not connected with any scheme to defraud as alleged in the indictment.

(182) Testimony of Portia Terry relative to receiving a call from the Ballards to go to their apartment regarding Saint Germain's call for the marriage of Donald and Marjorie.

Grounds: Immaterial; no connection with any scheme alleged in the indictment.

(183) Testimony of Portia Terry relative to Donald struggling at a meeting and stating thereafter that he wouldn't take a back seat to the Rogers, and that the organization was a [524] fake.

Grounds: Immaterial; no connection with allegations laid in indictment.

(184) Testimony of Mrs. Terry relative to staff meeting in Oakland wherein Donald started to defend himself orally.

Grounds: Immaterial; not connected with any alleged scheme laid in indictment.

(185) Testimony of Mrs. Terry to the effect Mrs. Ballard had stated that Jesus had held her in his arms, and that Donald had said his mother had never seen an ascended master.

Grounds: Immaterial; conclusion; hearsay; calls for speculation as to verity of existence of ascended masters.

(186) From that portion of Exhibit 30, October 1937 issue of "The Voice" magazine, page 3, wherein it is stated that Saint Germain had referred to Donald as his "pal."

Grounds: Immaterial; no connection with any alleged scheme in indictment; calls for speculation as to ascended masters.

(187) From Exhibit 29, September 1937 issue of "The Voice" magazine, page 23, wherein it is recited that the Ballards had stood in the presence of the Ascended Master Saint Germain.

Grounds: Immaterial; calls for speculation as to ascended masters.

(188) Exhibit 151.

Grounds: Immaterial; not connected with any scheme to defraud.

(189) From Exhibit 29, September 1937 issue of "The Voice" magazine, page 9, dictation to the effect that Donald would receive things by merely asking for them and that Donald and Marjorie would do much for the young people of America.

Grounds: Immaterial; calls for speculation.

[525]

(190) From Exhibit 15, July 1936 issue of "The Voice" magazine, page 10, wherein it is recited that one could as easily find $10,000 in his pocket as 10¢.

Grounds: Immaterial; not connected with any scheme as alleged in indictment.

(191) Exhibit 152.

Grounds: Immaterial.

(192) Exhibit 153.

Grounds: Immaterial; not connected in any way with scheme alleged in indictment.

(193) Exhibit 154.

Grounds: Immaterial.

(194) Exhibit 155.

Grounds: Immaterial; not connected with any scheme alleged in indictment.

(195) Testimony of Mrs. Terry to the effect that Mr. Ballard treated her by running his hands up and down her spine, and that Mrs. Ballard did, by giving decrees.

Grounds: Immaterial; not connected with any scheme alleged in indictment.

(196) Exhibit 75.

Grounds: Immaterial; not connected with any scheme alleged in indictment.

(197) Testimony of Mrs. Terry to the effect, "I don't know how much Donald received over and above his regular allowance."

Grounds: Immaterial; conclusion.

(198) Testimony of Eloise Pinkerton to the effect that when she was fourteen or fifteen years of age, Donald said, "How much longer are those people going to swallow that stuff."

Grounds: Immaterial; no foundation; calls for speculation as to subject matter of conversation.

[526]

(199). Testimony of Helen Pinkerton to the effect that two books coming off the press related to Mr. Ballard's experiences, and that Mrs. Ballard had said discourses were given at their home and that Mr. Ballard had said the experiences with the panther are true.

Grounds: Immaterial; calls for speculation as to verity of these experiences.

(200) Testimony of Helen Pinkerton in which

she recited how many sets of books and subscriptions to "The Voice" magazine her family had.

Grounds: Immaterial.

(201) Testimony of Helen Pinkerton to the effect that she did not allow anyone else to touch her books.

Grounds: Immaterial; no connection with scheme alleged in indictment.

(202) Testimony of Helen Pinkerton relative to conversation with Miss Majerus regarding precipitated pictures at the Ballard home.

Grounds: Immaterial; hearsay; calls for speculation as to verity of experiences.

(203) Testimony of Helen Pinkerton to the effect that Miss Majerus stated that the Ballards would receive ray of light while sitting at their table.

Grounds: Calls for speculation as to verity of experiences.

(204) Testimony of Helen Pinkerton relative to tidal waves and cataclysms in the future.

Grounds: Immaterial and no disproof of representation relative to a present or past fact.

(205) Testimony of Helen Pinkerton relative to amounts of money she had given.

Grounds: Immaterial. [527]

(206) Testimony of Mrs. Pinkerton about her clashing with Mrs. Ballard and Mrs. Ballard's comments relative to tobacco entities, and to the effect that she should remove her children from her husband.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(207) Testimony of Mrs. Pinkerton relative to conversation she had with Mrs. Ballard about ascension in which she said "I did not care to risk it."

Grounds: Immaterial and not connected with any scheme laid in indictment.

(208) Testimony of Merton Casterline to the effect Mr. Cassiere had said "You make an ascension in the physical body," and that "People perfected themselves through use of the violet flame."

Grounds: No disproof thereof; calls for speculation as to verity of experiences and to future ascensions.

(209) Testimony of Mr. Casterline to the effect that a woman said at one of Mr. Cassiere's classes, to give liberally, because you receive only as you give.

Grounds: No foundation laid; hearsay; no connection with any scheme alleged in indictment.

(210) Testimony of Mr. Casterline to the effect that Mr. Cassiere said he returned to Cleveland because his pockets were empty.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(211) Testimony of Mr. Casterline to the effect that Mr. Cassiere had said there would be an earthquake.

Grounds: No representation of present or past event, merely an opinion; immaterial.

(212) Testimony of Mr. Casterline to the effect that [528] Mr. Cassiere had said the experiences of Mr. Ballard related in "Unveiled Mysteries" and "The Magic Presence" were true.

Grounds: Calls for speculation as to verity of such experiences.

(213) Testimony of Mr. Casterline to the effect that the sales of books amounted to $700.

Grounds: Immaterial; conclusion.

(214) Testimony of Mr. Casterline to the effect that Mrs. Ballard had said there would be an earthquake and spoke about gas belts.

Grounds: Immaterial; no representation as to present or past event; calls for speculation.

(215) Testimony of Mr. Casterline to the effect that Mr. Cassiere had said Saint Germain had come to him.

Grounds: Calls for speculation as to verity of experiences.

(216) Testimony of Ernest Ricord to the effect that Mrs. Ballard had said that eventually everyone would make an ascension.

Grounds: Calls for speculation as to verity of experiences and as to future events.

(217) Testimony of Ernest Ricord relative to Kelly's ascension.

Grounds: Immaterial; calls for speculation as to verity of ascensions and existence of ascended masters.

(218) Testimony of Ernest Ricord to the effect he understood Mr. Ballard was a messenger, and

from Exhibit 42, October 1938 issue of "The Voice" magazine, page 23, to the effect that messengers knew what was going on so could not be deceived.

Grounds: Immaterial; calls for speculation as to verity of experiences and existence of ascended masters.

(219) Testimony of Ted Dahl to the effect that he had [529] handled $190,000 in radio broadcasts.

Grounds: Immaterial; uncertain and ambiguous.

(220) Testimony of Mr. Dahl to the effect that neither he nor Mr. MacGregor had said there was any healing power in the records.

Grounds: Immaterial; negative testimony.

(221) Exhibit 158.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(222) Exhibit 159.

Grounds: Immaterial.

(223) Exhibit 163.

Grounds: Immaterial.

(224) Exhibit 164.

Grounds: Immaterial; not connected with any allegations in the indictment.

(225) Exhibit 165.

Grounds: Immaterial; calls for speculation; not connected with any scheme laid in indictment.

(226) Exhibit 166.

Grounds: Immaterial.

(227) Exhibit 167.

Grounds: Immaterial.

(228) Exhibit 168.

Grounds: Immaterial.

(229) Exhibit 171.

Grounds: Immaterial; calls for speculation.

(230) Exhibit 176.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(231) Exhibit 177.

Grounds: Immaterial; not connected with any [530] scheme laid in indictment.

(232) Reading from Exhibit 58, "The Voice" magazine, page 50, relative to pictures of Mr. Ballard being requested by students.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(233) Exhibit 178.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(234) Exhibit 179.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(235) Exhibit 180.

Grounds: Immaterial; calls for speculation as to verity of experiences.

(236) Testimony of Dr. W. Curtis Brigham to the effect that Exhibit 140 is a photograph of Mr. Kelly whom he had treated as a patient.

Grounds: Immaterial; calls for speculation relative to ascension.

(237) Testimony of Richard Louis Bronwell that "Louise Majerus was in charge so far as I know."

Grounds: Conclusion; no foundation laid.

(238) Testimony of George Thomas Stevens in which he related that Mr. Ballard had stated in effect, that a young couple who had purchased a home would be better off had they not done so because a cataclysm was imminent.

Grounds: Immaterial; no representation of present or past event.

(239) Testimony of George Thomas Stevens to the effect that Mrs. Ballard stated if students would train themselves to perfection they could make calls for precipitation. [531]

Grounds: Immaterial; no representation as to present or past event; not connected with any scheme laid in indictment.

(240) Testimony of Catherine Rogers to the effect Mr. Ballard had said that Mr. Livingston had not done so well relative to money coming in.

Grounds: Immaterial.

(241) Testimony of Catherine Rogers relative to amount that had been contributed to the activity.

Grounds: Immaterial.

(242) Testimony of Catherine Rogers that Mrs. Ballard said "I want you to remember I am in full charge of the publications.

Grounds: Immaterial.

(243) Testimony of Catherine Rogers to the effect Mrs. Mundy stated in taxicab she wished that

they (the Ballards) would not go ahead with the books.

Grounds: Immaterial.

(244) Testimony of Catherine Rogers to the effect that Mr. Ballard stated to her in Seattle that Mrs. Ballard had no human passions and was perfect.

Grounds: Immaterial.

(245) Testimony of Catherine Rogers to the effect Mrs. Ballard rebuked Mr. Ballard for sending out letters to students without her knowledge, and the reply of Mr. Ballard, "Well, I will quit if you want me to."

Grounds: Immaterial.

(246) Testimony of Catherine Rogers to the effect that after the witness left a staff dictation meeting crying, Donald stated, "I am for you Catherine, I know how you feel, because my mother is the meanest woman on earth." [532]

Grounds: Immaterial; not connected with any scheme laid in indictment.

(247) Testimony of Mrs. Rogers to the effect Donald Ballard stated (referring to women students), "I wish those students would keep away."

Grounds: Immaterial; calls for speculation that reference was as to activities of defendants.

(248) Testimony of Mrs. Rogers relative to incident of Donald Ballard drinking soda pop.

Grounds: Immaterial; calls for speculation as to whether Donald was paying attention to what was going on.

(249) Testimony of Mrs. Rogers to the effect Mr. Ballard stated at Glacier National Park that witness' voice had a healing quality and would be heard all over the world.

Grounds: Immaterial; not connected with allegations in indictment.

(250) Testimony of Mrs. Rogers to the effect Mr. Ballard had told her she would lose her body in six weeks if she left the activity, and relating to conversation of witness with Mrs. Ballard relative thereto.

Grounds: Not within the issues of the case; not connected with participation in scheme alleged in indictment.

(251) Testimony of Mrs. Rogers to the effect that in a dictation in Dallas, Texas, it had been stated that if two members left the activity, they would be left in abject poverty.

Grounds: Immaterial.

(252) Testimony of Mrs. Rogers to the effect Mr. Ballard said "Our income was sufficient last year to enable us to retire on the sale of our books."

Grounds: Immaterial.

(253) Exhibit 182. [533]

Grounds: Immaterial.

(254) Exhibit 183.

Grounds: Immaterial.

(255) Testimony of Dottie D. Fowler to the effect Mr. Ballard stated Saint Germain was authority on this planet, and spoke to her about ascension

and about his experiences in the Royal Tetons, and that he spoke of cataclysms and precipitations.

Grounds: Immaterial; calls for speculation as to verity of events.

(256) Testimony of Mrs. Fowler to the effect that Mr. Ballard stated Saint Germain had given them no information about the lettering above the published picture of Saint Germain.

Grounds: Immaterial.

(257) Testimony of Mrs. Fowler relative to conversation with Mrs. Mundy relative to responsibility for broadcasts in Seattle.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(258) Exhibit 185.

Grounds: Immaterial.

(259) Testimony of Mrs. Fowler relative to Mrs. Ballard having referred from the platform to precipitated jewels of light, a glass of water and a toothpick.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(260) Testimony of Mrs. Fowler that Mrs. Ballard said "We are not ordinary human beings."

Grounds: Immaterial; not connected with any scheme laid in indictment. [534]

(261) Testimony of Mrs. Fowler relative to dismissal of Catherine Rogers and Virginia LaFerrera.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(262) Testimony of Mrs. Fowler to the effect Mrs. Ballard stated that they had 3 million students.

Grounds: Immaterial; an effort to give the impression activity was opposed to Government.

(263) Exhibit 188.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(264) Testimony of Mrs. Fowler to the effect Mr. Cassiere said the Ballards wanted the decrees read phrase by phrase so that more decree books would be sold.

Grounds: Immaterial.

(265) That portion of Exhibit 186 relating to how decrees should be given.

Grounds: Immaterial; no proof of any fraud or participation in any scheme alleged in indictment.

(266) Exhibit 187.

Grounds: Immaterial; not connected with any scheme nor representation.

(267) Testimony of Mrs. Fowler to the effect Mrs. Ballard stated that Saint Germain knew what money went into the gift boxes.

Grounds: Immaterial; calls for speculation as to wisdom or knowledge of ascended masters; not connected with any scheme to defraud.

(268) Exhibit 192.

Grounds: Immaterial.

(269) Testimony of Mrs. Fowler to the effect Mr. [535] Cassiere said there was a special radiation

from autographing books because he was an ascended master.

Grounds: Calls for speculation; not connected with any scheme laid in indictment; no disproof thereof.

(270) Testimony of Mrs. Fowler in which she stated while describing a conversation relative to defense fund "Well, it seems they all hinge on that. If anything happened to her (Mrs. Ballard) the whole planet would go down."

Grounds: Conclusion of the witness; immaterial; voluntary statement.

(271) Testimony of Mrs. Fowler to the effect Mr. Stickell said that he would dissolve poisonous black flies that were in his foox.

Grounds: Immaterial; no connection with any allegation in indictment.

(272) Testimony of Mrs. Fowler that Mr. Stickell told her about his struggle to prevent sinister forces from poisoning his food.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(273) Testimony of Mrs. Fowler that she believed Mr. Stickell's statements relative to the dissolving of poisonous flies from his food.

Grounds: Immaterial; not connected with any allegations in indictment.

(274) Exhibit 193.

Grounds: Immaterial; no disproof of the accuracy of the statements contained; not connected with any scheme laid in indictment.

(275) Exhibit 194.

Grounds: Immaterial; not connected with any [536] scheme laid in indictment.

(276) From Exhibit 197, November 1940 issue of "The Voice" magazine, page 4, relative to a dictation about the feeling world and that the master would some time come forth in his visible, tangible body, that people should continue with the good work and that they should decree for the financial aid needed to carry on.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(277) From Exhibit 197, November 1940 issue of "The Voice" magazine, reference to black magicians.

Grounds: Immaterial; not connected with any scheme laid in indictment; calls for conjecture upon existence of beings in any other world.

(278) That portion of the September 1940 issue of "The Voice" magazine read, and referring to one of the masters rendering a service to Southern California by protecting it.

Grounds: Immaterial; calls for speculation; no disproof; not connected with any scheme laid in indictment.

(279) Testimony of Mrs. Fowler that Mr. Ballard stated "Two days and two nights later we emerged from the eternal flame wearing our new bodies of immortal endurance. The inharmony of earth cannot register within these permanently." (From "The Magic Presence")

Grounds: Immaterial; not connected with any scheme laid in indictment; calls for speculation as to verity of experiences of Mr. Ballard with ascended masters.

(280) Reading from Exhibit NN relating to Easter Sunday services in which the picture of Mr. Ballard was exhibited.

Grounds: Immaterial; not connected with any scheme laid in indictment. [537]

(281) Reading from Exhibit HH to the effect that Seattle students were "decreeing" the return of the Ballards to Seattle.

Grounds: Immaterial; calls for speculation as to efficacy of decree or prayer.

(282) Reading from Exhibit LL to the effect that Mrs. Fowler wrote that it was wonderful that she, Mrs. Fowler, had been mentioned by the Goddess of Light.

Grounds: Immaterial; hearsay.

(283) Testimony of Mrs. Fowler to the effect that the Goddess of Light had referred to her at the class in Oakland.

Grounds: Immaterial; calls for speculation; not connected with any scheme laid in indictment.

(284) Reading from Exhibit II in which letter Mrs. Fowler stated that she had been to Dr. Kirk's estate and in which reference is made to Mr. Kirk meeting Mrs. Ballard and shaking hands with her.

Grounds: Immaterial; not connected with any scheme laid in indictment; hearsay.

(285) From Exhibit GG in which Mrs. Fowler

in a letter to Mrs. Ballard, states that Brother Bill had told her, Mrs. Fowler, that people in the South thought she, Mrs. Fowler, had the big head because she had been mentioned by the ascended masters.

Grounds: Immaterial; hearsay; not connected with any scheme to defraud.

(286) Reading from Exhibit FF, a letter by Mrs. Fowler to Mrs. Ballard about starting groups in homes, about people calling her after hearing radio broadcasts and thinking she, Mrs. Fowler, was Mrs. Ballard.

Grounds: Immaterial; hearsay and not connected [538] with any scheme laid in indictment.

(The September 1940 issue of "The Voice" magazine was received in evidence as Defendants' Exhibit XX.)

(287) Exhibits 201 and 202, for the reason that the two exhibits are not connected one to the other, and it is sought by said two exhibits to draw inference upon inference to the effect that Mr. Sindelar used Exhibit 202 to draw Exhibit 201.

(288) That portion of Exhibit 91 describing or announcing "Unveiled Mysteries."

Grounds: Immaterial.

(289) Exhibit 203.

Grounds: Said documents (Shasta letters) were procured in violation of the constitutional rights of the defendants, that the protection of said documents at the former trial was necessitated in order to meet accusations in the former trial that Mr. Ballard had not been at Mount Shasta, that to use

such documents at this present trial when the Government admits that Mr. Ballard was at Mount Shasta amounts to the use of evidence procured by duress, the Government having photostated said exhibit from the exhibits of the last trial; that the statements made therein as disclosed by said document were not voluntary, that in effect it violates the guarantee of the Constitution against unlawful search and seizure.

(290) Testimony of Jane Ferguson to the effect that she had a conversation with Mrs. Ballard while Mrs. Ballard was working on a manuscript of "The Magic Presence."

Grounds: Immaterial; ambiguous; uncertain; calls for speculation as to whether original work or typographical corrections was being done on manuscript.

(291) Exhibit 204. [539]

Grounds: Immaterial; not connected with any scheme laid in indictment.

(292) Exhibit 205.

Grounds: Immaterial; calls for speculation as to verity of existence of ascended masters; not connected with any scheme laid in indictment.

(293) Exhibit 206.

Grounds: Immaterial; calls for speculation as to existence of ascended masters; not connected with any scheme laid in indictment.

(294) Testimony of Mrs. Ferguson to the effect that Mrs. Ballard referred to a cataclysm.

Grounds: No disproof and was but an opinion as

to a future event and did not refer to a present or past event.

(295) Exhibit 207.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(296) Exhibit 208.

Grounds: Immaterial; contains no representations and not connected with any scheme laid in indictment.

(297) Exhibit 209.

Grounds: Immaterial; calls for speculation as to verity of existence of masters and not connected with any scheme laid in indictment.

(298) That portion of Exhibit 43, November 1938 issue of "The Voice" magazine, at page 19, stating, "Mr. G. W. Ballard has never done a dishonest or dishonorable thing in his entire life and never will."

Grounds: Immaterial; no disproof; not connected with any scheme laid in indictment.

(299) Exhibit 87. [540]

Grounds: Immaterial; not connected with any scheme laid in indictment.

(300) Reading from Exhibit SS, "Dear Blessed Ballards: Complying with Saint Germain's instruction, we are coming to you for solution of problems in this field."

Grounds: Immaterial; calls for speculation upon the verity of existence of masters and not connected with any alleged scheme.

(301) Reading from Exhibit SS, referring to a glorious day in the Senate.

Grounds: Immaterial; hearsay; not connected with any scheme laid in indictment.

(302) Reference read from Exhibit 209, relative to Mr. Ballard instructing Mr. Ferguson to keep books on a cash basis.

Grounds: Immaterial; not connected with any alleged scheme.

(303) Testimony of Mrs. Ferguson that she had never seen Jesus.

Grounds: Immaterial; negative testimony.

(304) Reading from Exhibit WW, letter from Mr. Ferguson to the Ballards referring to receiving picture of Jesus and ordering more.

Grounds: Immaterial; not connected with any scheme alleged in indictment.

(305) Letter of May 16, 1935 (reply to Exhibit WW).

Grounds: Immaterial; not connected with any scheme laid in indictment.

(306) The portions of the depositions of Mrs. Ballard and Donald Ballard given in Donald Ballard's divorce action relative to Donald receiving funds from any source other than from Mrs. Ballard, and relative to the source of money given [541] to Donald for his support, and relative to money being received through the mail; also, relative to Saint Germain's Press and Mrs. Ballard receiving some money for healing; relative to the use of Donald's name in connection with the use of the activity as an authorized messenger; relative to Donald engaging in any other occupation than the

I Am activity, and as to whether Donald had any experiences with Saint Germain, to which he replied that he had not.

Grounds: Immaterial; calls for speculation as to existence of ascended masters; not connected with any scheme laid in indictment, and that fulfillment and satisfaction of legal obligation to support minor cannot directly or indirectly be accepted as evidence of participation in or of any fraud.

(307) Reading of the foreword of "The Magic Presence" at page 11, relative to the experiences in "Unveiled Mysteries" and "The Magic Presence" being real.

Grounds: Calls for speculation as to verity of existence of ascended masters.

(308) Reading from "Ascended Master Discourses" to the effect that dictations came in words of living light.

Grounds: No disproof and calls for speculation.

(309) Readings from Saint Germain's discourses (from "Ascended Master Discourses").

Grounds: Immaterial; no disproof; no connection with allegations in indictment.

(310) From "Ascended Master Discourses" referring to dictation to do good to mankind and further referring to the ascended masters.

Grounds: No disproof; calls for speculation as to verity of the facts stated.

(311) From reading of "Unveiled Mysteries," page 244, [542] relating to experiences of Mr. Ballard with ascended masters.

Grounds: Immaterial; calls for speculation as to verity of experiences.

(312) Testimony of Mrs. Hall relative to being taught about the violet consuming flame and not to eat garlic or onions.

Grounds: Immaterial; calls for speculation and no disproof of the teachings.

(313) Reading from Exhibit 18, October 1936 issue of "The Voice" magazine, page 12, relative to ascensions.

Grounds: No disproof; calls for conjecture.

(314) From Exhibit 41, September 1938 issue of "The Voice" magazine, referring to dictation of ascended master relative to conditions in Los Angeles and benefits believed coming to Los Angeles.

Grounds: Immaterial; calls for speculation; no disproof of any statement contained therein.

(315) Testimony of Mrs. Hill relative to length of time people stayed in reading rooms.

Grounds: Immaterial.

(316) Testimony of Wilbur Curtis Smith to the effect he got pineapple juice and cough drops for Mrs. Ballard when she had a cold.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(317) Testimony of Mr. Smith to the effect Mrs. Ballard asked him to see the Miami police as they at one time had almost been arrested.

Grounds: Immaterial.

(318) Testimony of Mr. Smith to the effect that to take up collections they, the Ballards, would require a license costing $500. [543]

Grounds: Immaterial; no connection with any scheme laid in indictment.

(319) Testimony of Mr. Smith to the effect he put $500 into the activity for copying of photograph and selling it.

Grounds: Immaterial; not connected with any scheme laid in indictment.

(320) Testimony of Mr. Smith that one night Mrs. Ballard could talk scarcely above a whisper and took cough drops.

Grounds: Conclusion; calls for speculation; immaterial.

(321) Testimony of Mr. Smith relative to driving Donald to show and conversation with Donald.

Grounds: Immaterial.

(322) All reference to black magicians, K-17, sex or family relationships.

Grounds: Immaterial; no connection with any scheme laid in indictment.

(323) Each and every of said motions as to each and all of the defendants were denied and exceptions allowed.

The Court instructed the jury as to certain testimony stricken as follows:

> "Gentlemen of the jury, we have now reached the point where the defendants will present the issues in their own defense, their attorneys, the Government having rested its case and the Government having placed before the jury all of its testimony for your consideration.
>
> There was certain testimony that was intro-

duced that in the opinion of the Court should be disregarded by the jury. It is the opinion of the Court that the particular evidence that I am referring to had no direct connection and did not tend to prove any of the representations, statements, and allegations of the indictment. Therefore, I instruct the jury to disregard all testimony that was introduced that had any [544] political reference of any kind, to disregard all testimony with reference to statements allegedly to have been made with reference to insurance or the withdrawal of bank deposits or savings accounts in banks. All of those matters should be disregarded entirely by the jury.

The jury should also disregard, and I instruct you to disregard, the incident stated here by Mr. Smith of Florida with reference to his experiences with Saint Germain. You will recall that he stated at a meeting he arose and when he got the attention of those present and while the defendants, Mr. and Mrs. Ballard, were present—and my recollection is Donald was present—that he insisted on telling about an experience that he had with Saint Germain in which he requested precipitation of an automobile, a house, and a wife. You will remember something like that. That in the opinion of the Court should not be considered by the jury, and I instruct you to disregard it. It is the opinion of the Court that that particu-

lar testimony was not given in good faith by the witness. My recollection is that he was just stating that to those present without believing it.

I also instruct the jury to disregard certain testimony here with reference to the dismissal of Mary Ketcham who was an employee of the I Am organization and a certain telegram that was read in connection with that discharge. That was a matter of internal discipline in an organization. There is nothing in the indictment that that could possibly refer to and I ask the jury to disregard it.

There was also some testimony that when Mrs. Ballard went to San Francisco that she wore certain jewelry, certain adornment of her person, and certain reference was made to her clothing. It is the opinion of the Court that those matters are not pertinent to the issues before the jury and do not [545] sustain any of the representations or allegations in the indictment. I instruct the jury to disregard the references to that testimony.

Further in Mr. Smith's testimony, he made some statement with reference to locking up the door of the meeting place in Florida, that he padlocked it and also made a sign or a statement on the door in which the name Saint Germain was used. I am going to ask you to disregard all of that testimony. In the opinion of the Court it has no bearing on the issues of the case.

This is the proper time to instruct you on these matters and ask you to disregard them, because as other testimony comes in and as jurymen might be expecting a refutation of some particular testimony, some evidence to be met, it will not be necessary to carry in your minds any of the references that I have now called to your attention. This is a usual proceeding at the end of the Government's case, gentlemen. When a witness starts to answer a question it is very difficult to know what is going to be said. It is difficult for attorneys on either side to know what the whole answer is going to contain. Therefore, it is proper to make a motion to strike at the conclusion of the Government's case.

Another situation that may arise with certain testimony the Government feels it is necessary to present, but it can only be presented in piecemeal. In other words, one witness knows one thing, another witness knows another, and another witness knows another. So testimony is permitted on the theory that later that particular testimony will be made pertinent and will be material to the issues. I just make that statement because I think the jury are entitled to know why the Court strikes out certain testimony or why the Court makes certain rulings. It is better procedure." [545A]

Exception No. 80A

Motion to dismiss in behalf of each and every defendant on the grounds and reasons assigned in connection with dismissal made at the outset of the case and by way of demurrer to indictment, and made in connection with ensuing motion for directed verdict was made, and motion denied and exception allowed.

Exception No. 80B

Motion for instructed verdict of acquittal in behalf of defendant Edna W. Ballard on the grounds that insufficient evidence had been adduced to support a verdict of guilty, and on the grounds that all evidence was just as consistent with the hypothesis of innocence as with the hypothesis of guilt was made and denied. Exception allowed.

Exception No. 80C

Motion for instructed verdict of acquittal in behalf of defendant Donald Ballard on the grounds that insufficient evidence had been adduced to support a verdict of guilty, and on the grounds that all evidence was just as consistent with the hypothesis of innocence as with the hypothesis of guilt was made and denied. Exception allowed. [545B]

ALFRED J. ZIMMERMAN

was called as a witness in behalf of the Defendants and testified as follows:

I am an accountant employed by the Philco Corporation and have been so employed since 1934 after being honorably released from the United States Naval forces in 1919, when I entered the practice of public accounting. I remained in public accounting practice until my connection with the Philco Corporation.

I have seen Mrs. Ballard on the platform and I am a follower of the I Am teachings. I first came in contact with them in the early part of 1934. We took definite steps towards acceptance at the Detroit class in 1936. I came in contact with the work by reading "Unveiled Mysteries", it being loaned to us by a friend. We attended the Detroit class and all the classes in Philadelphia and probably three or four classes in Washington and three or four in New York City. My wife is also a follower of the teachings. I am living with my wife and we have one child, a boy 15½ years old, who is also a student of the teachings. I have never at any Ballard class which I attended heard the Ballards or anyone on the platform solicit money or anything of value from anyone. I never heard the Ballards nor anyone on the platform at any class I attended make any statement concerning the sale of books other than to announce that the books were sold. I never heard the Ballards or anyone on the platform urge anyone to buy books. I never heard

(Testimony of Alfred J. Zimmerman.)

them solicit anyone to purchase jewelry, charts, phonograph records, radio transcriptions, songs, or any other commercial products. I never heard any statements concerning cataclysms at any classes except in a general way, nothing specific. No one on the platform ever set a definite date for a cataclysm. The statement concerning the method by which healing could be brought about was that it was only through our own obedience to the laws of life as given forth in the books and our own application and harmony. That was to be brought into play by [546] obedience to the laws. We were told to apply the laws. The Mighty I Am Presence does the healing. I never heard the Ballards, nor anyone on the platform, make the statement that they could personally heal people. (Tr. Vol. 20, p. 3179.) The statements were made that they would give their assistance through their own calls and to the Mighty I Am Presence. After they made such calls, if we would maintain our own obedience and harmony in our feeling world, and the manifestation could take place, the healing would take place, provided we made our own call, too. We had to pour forth our own energy to bring forth the healing that was desired. We were told we would have to make our own call to our own Mighty I Am Presence in order to accomplish this result. Neither the Ballards nor anyone on the platform ever stated that the jewels which they possessed had any healing quality.

(Testimony of Alfred J. Zimmerman.)

I never heard the Ballards nor anyone on the platform state that the entire physical body was to ascend in the ascensions. Only the finer and purified substance of the body would do so. The statements which I heard made concerning precipitation were in the way of explaining what precipitation means, in that, rain, for instance, is a precipitated form. It can be in varying degrees of acceptance, according to our own application. The statement as to the channels through which precipitation occurred was that they occurred through normal channels that we know of in ordianry life. Again it was brought into play through our own application by our own calls to the Mighty I Am Presence, obedience and harmony in our worlds was required. In order to make our application, we must put forth our own energy through our own Mighty I Am Presence in our calls we were taught. I heard from the platform many times the statement; "Do not believe us, prove us". I am still a follower of the activity.

Concerning the benefits which I am receiving or have received from my participation in the activity, there is no doubt [547] about it that in living the laws and applying the laws as much as we can, there has been much greater harmony and peace of mind in our entire household, in my work, and in all business associations and affiliations, wherever they may have been. Our health has been much better, all three of us, the entire household, and there are untold blessings that have come to us through our

(Testimony of Alfred J. Zimmerman.)

own application as we know how to apply it. Concerning my own physical condition, I feel that every organ in my body is functioning more completely. My sight is much better than it was 10 or 15 years ago. I use glasses at home, not very often, usually laying them aside, but I do use glasses mostly for long distance, street. I used them for reading before I took up this work.

I have never heard a statement from the platform that Guy W. Ballard, or Donald Ballard, or Edna W. Ballard attained a supernatural state of self-immortality which enabled them or either of them to conquer disease, death, old age, poverty or misery.

Cross Examination

The glasses I now wear are bifocal lens. I can read with them if I care to. I have a very nice position with the Philco organization. I have been rather a studious student of the movement, going from class to class. I have read almost all of their magazines since I have been with it. I have bought three sets of the books, one for myself, one for my wife, and one for my son. (Tr. Vol. 20, p. 3187.) We each read our own.

I have heard the Ballards speak of a new dispensation. My understanding is that there is practically no difference between the two, except that what remains under the new dispensation is cremated, where under the old dispensation what was left, the residue, was consumed by light rays

(Testimony of Alfred J. Zimmerman.)

directed or projected by ascended masters. I have read the Beloved Jesus' Discourse at the Washington class of November 30, 1939, a part of Government's Exhibit 57, reading "Under the old dispensation the individual had [548] to purify and illumine the atomic structure of the physical body and raise it out of the atmosphere of the earth." I read Discourse No. 10 of the I Am Discourses about precipitation of gold. I am a student, sir, not an ascended master, and have not put a practical usage to that discourse. That is the stage when one graduates from the work that we are doing now to attain that perfection. I was taught that when I became an ascended master I could precipitate gold. While an ascended master I would not necessarily be spending most of my time in the orbits. I could be living here on earth, yes, lower the vibratory action in my body. Then I would be able to precipitate gold or anything else that I wanted, automobiles if I wished them, as an ascended master, not as an individual, as a human. Beloved Ariel is one of the ascended masters. I have read and heard the statements that "these messengers make no mistakes", and "Do not believe us, prove us". The messengers do not claim to know everything and that you cannot deceive them. They say "Prove us".

I have read the following portion of Government's Exhibit 42 at page 23:

"Individuals have tried sometimes to see

(Testimony of Alfred J. Zimmerman.)

how much they could deceive the Messengers, believing that the Messengers did not know everything that we going on.

"Look upon these two forms tonight, they seem and are very humble, very natural; but they are so far beyond what these human forms seem to Out-picture, that you would be greatly surprised. Because they are firm enough and strong enough to hold obedience to the Light and hold the students who do not want to give obedience in line. Do not criticise them. They are the authority in This Work, and shall remain so. Remember that."

The messengers never made any representations that they themselves did the actual healing. It was through their calls. [549]

I read the Master Jesus' Discourse, Exhibit 48, page 7, in "The Voice" magazine, reading as follows:

"There is only one thing I did innumerable times which the Messengers have not called forth and that is the raising of the so-called dead. They have performed every other service of healing that I ever did in My Ministry."

I read the following portion of Government's Exhibit 42, at page 8, stating:

"You beloved ones in this vicinity, one day will know what these Precious Messengers have meant to you and humanity. One day you shall know who they are. You do not know yet.

(Testimony of Alfred J. Zimmerman.)

> "I know, and one day you will when you really awaken and realize the service they are rendering humanity. These poor unfortunate bedraggled individuals who criticise them, what a reaping. One day, too late, they will see what mistake and then be unable to find their way home."

No definite time was ever stated as to a cataclysm. We were not taught that the I Am students would necessarily be saved from a cataclysm. We are being taught how to protect ourselves from whatever comes before us from which we need protection. My testimony is that the Ballards could help me or assist in calling to the Mighty I Am Presence in connection with healing, but that I must also make my call.

I have read from Exhibit 10, the February 1936 issue of "The Voice" as follows:

> "Cyclopea in directing the mighty currents of energy through the All-Seeing-Eye, and the call of the many students of the 'I AM', drawing the walls of light around America, have rendered tremendous service, in that it has prevented a tidal wave striking the western coast, [550] which was thought would have come into action the second of January, 1936."

January second is a specific date, but the messengers did not mention it. It was in the book that they put out but that is Saint Germain's discourse.

(Testimony of Alfred J. Zimmerman.)

I never heard Saint Germain talk. The words came through Mr. Ballard. (Tr. Vol. 20, p. 3204.)

It was my goal to make my ascension in this embodiment and I was told by the Ballards, and understood from the readings, that if I followed the teachings it would be possible. I have read "Unveiled Mysteries", both editions. I have read the address in the front, that the two books are a record of the author's experiences and the order in which they occurred. I was told that the first two books were Mr. Ballard's actual experiences, except for the laws, for instance, on page 101 on visualization. Those are Saint Germain's words and not Mr. Ballard's words. The experiences related were Mr. Ballard's experiences where the words are unquoted in the book. I believe now and believed then, the foreword in "The Magic Presence", reading as follows:

> "The retreats, people, and instruments I saw and associated with, while with the Ascended Masters, are real physical places and things, and tangible, living, breathing Beings. They were not imaginary nor symbolic and are not to be interpreted in any such way."

I believed that Mr. Ballard had all the experiences related in "The Magic Presence" and "Unveiled Mysteries" and the time and places related therein. (Tr. Vol. 20, p. 3207.)

(Testimony of Alfred J. Zimmerman.)

Redirect Examination

Examining a copy of "The Voice" for 1940, Government's Exhibit 57 again, I also read the following from it:

> "You cannot and no one ever did or ever will make the ascension except from the purified substance of [551] physical bodies."

After the statement read by Mr. Neukom, as follows,

> "There has been lurking in many the idea that one may make the Ascension after so-called death; but that cannot be accomplished because the call for the Ascension must be made to the 'I AM Presence' and the Ascended Masters from within the physical side of Life. You cannot do it otherwise, no one ever did in the world,",

I recall reading the following:

> "When the Lifestream is severed, withdrawn, from your heart and body, it finishes that form. The substance disintegrates and goes back into the Universal from which it came."

I arrived at the state of consciousness where I believed the passages of the books by acceptance within. So far as my feelings were concerned, there was no question, no question as to its validity. I didn't start believing immediately upon reading it. The condition of belief resulted through study and

(Testimony of Alfred J. Zimmerman.)

meditation on the subject. The work in the activity, including all the laws that are taught in the books and magazines, cleared the way, cleared the air, so to speak, of what had been taught in church and other associations. This clarified my stand.

Recross Examination

There was an old and new dispensation with respect to ascension. I am not prepared to answer when the new one was announced. I am not prepared to say whether the mention in the February 1937 issue of "The Voice", Government's Exhibit 22, referred to the new or the old. The Divine Consuming Flame is used now and whether it was in the old dispensation or not is irrelevant to the question what it is now. It makes little difference, so long as I know the laws that lead to the ultimate accomplishment. I didn't understand that the body itself was going [552] to ascend by reading the following from Government's Exhibit 22, February 1937 issue of "The Voice", at page 3:

> "Every one, who has ever accomplished the Ascension, Jesus included, had to use this Violet Consuming Flame to dissolve his own human creation, before the Substance of his flesh body could vibrate at a rate that would enable it to ascend."

As I stated previously, only the finer substances ascended and not the dross or the material form.

WALTER A. HALDY

was called as a witness in behalf of the Defendants and testified as follows:

I am a physician and surgeon and live in Cleveland, Ohio. I am a member of the American Medical Association, and have been practicing for 35 years. I was educated in this country for the medical profession and also studied in Europe in Vienna and Berlin.

I have been a follower of the I Am movement since March 13, 1939. I came in contact with the movement while I was down at the Cleveland Public Library and asked the librarian for some books. She brought me about an armful of books and laid them down before me on a table and I saw a book there called "Unveiled Mysteries" and the title sort of intrigued me and I took it out and read it, and from that time on I kept reading it. I didn't contact the movement until sometime later. I took the book home and read it and became very much interested in it. I wouldn't have become interested in it if somebody else had handed it to me for the very reason, from the human factor that men try to teach us something. I don't take it. The fact I got it myself, I was very much able to take it myself. In fact, I might say patients of mine have handed me various pieces of literature and I usually put them in one overcoat pocket and forget it, but when this happened, I just happened to take it and it clicked. I didn't [553] know there was a Ballard group at all. I liked this book, so much, I sent to Chicago

(Testimony of Walter A. Haldy.)

for a copy for my own use and with that book came a little brochure that told about classes and gave me information that I could contact in the city. I looked it up in the telephone book and there wasn't any telephone number or any such thing, so I called up the chief operator and I finally got in touch with their movement. I contacted their class in Cleveland. I have attended a great portion of classes since my contact with this work in various cities, including Chicago, Los Angeles, New York, Washington, Philadelphia, Cleveland and Boston. (Tr. Vol. 20, p. 3212.)

I have absolutely not heard any solicitation nor urging made for the purchase of books at any of the classes. There wasn't anything said at the public appearances concerning the purchase of books. That was left to your own volition. The statements concerning healing were that the process of healing was one that was done by your own application, and I remember very distinctly most of those classes, that Mr. Ballard brought out the point that the healing was done through his own presence and he had nothing to do with it himself. Mr. Ballard produced his healings through his own presence. He always told us that he himself personally had nothing to do with those healings; that is, this presence that produced these healings. As far as my statements concerning healing in my own self, I would have to make application to that presence and by application I could heal myself. I could call the presence of Mr.

(Testimony of Walter A. Haldy.)

Ballard. It was said that we could by the call and our own application in time, if we purified our substance of our body, of our emotional bodies and attained such a state of prefection there, precipitate ourselves. We could precipitate food or practically everything that you want, but you would have to have a state of perfection in your feeling and emotional body. To describe the effect this [554] movement has had upon me, I would say, in the language of the street, if I saw myself coming down the street, I wouldn't know myself. It has produced a great feeling of peace, and it has produced a great feeling of inward strength. Of course, that is a matter of relative statement, but it has produced a great feeling of inner strength which, of course, you cannot transmit to a man. You have got to feel that yourself. This changed my entire attitude toward my fellowman. I have a feeling of greater good will towards my fellowman. There has been a change in my attitude as to my own security and well being here and hereafter.

Cross Examination

I still endeavor to heal people by the ordinary means of medicine, not just the same as I did before March 13, 1939. I do it more intelligently. I would use a knife in case adenoids needed to be removed. Sure, why not? I would put a broken arm in splints. Why not? I haven't been in practice for at least three years, but I am going into practice. I am still

(Testimony of Walter A. Haldy.)

endeavoring to achieve the perfection which is required for precipitation. I believe that if I would obtain it, I would be able to precipitate, not myself, but through my presence. There is a subtle distinction there between yourself—I mean between yourself and your presence. You must always bear in mind that you can't do anything yourself. You are human, but you can, your presence can, do everything. Get that subtle distinction between the two. My presence could precipitate a physical object. (Tr. Vol. 20, p. 3217.) My presence is an ethereal, something that doesn't need to eat food and can precipitate tangible things for me.

Mr. Neukom read from Government's Exhibit 56, at page 10.

ELSA CHAMBERLAIN

was called as a witness in behalf of the Defendants and testified as follows:

I reside at Madison, Wisconsin and I am a follower of the [555] "I Am" activity. I first heard of the activity in 1936. I didn't really accept it until I heard Mr. Stickell the second time, later on in 1936. I have been a follower since that time and I still am. I am in charge of the sanctuary at Madison and have been since June 15, 1941. I have been a group leader since approximately 1937. I have a small business of my own. I could have other work but I chose this purposely because I could give more

(Testimony of Elsa Chamberlain.)

time to it. I supply furniture polish to a clientele I have. I have attended three classes that Daddy held in Chicago and two weekends in Minnesota, then the last time that Mommy was in Chicago. The first one was in October of 1938, the next one about April of 1939, then the latter part of 1939, that was Daddy's. I attended a class in Los Angeles. At none of the classes that I attended, did I ever hear the Ballards or anyone on the platform solicit money or anything of value from any one. At none of the classes that I ever attended, did I ever hear the Ballards or anyone on the platform urge anyone to buy books, nor did I hear anyone solicit anyone to purchase jewelry, charts, phonograph records, radio transcriptions, songs, or any other commercial products. I didn't hear any statements concerning cataclysms. Statements concerning healing were to always call to your Mighty I Am Presence first, call to your presence for what it was that you wanted, but you must make the definite effort, you must put forth the application; and there was the statement made, too, that if you wanted help, you could call to the higher mental body of either Mommy or Daddy. (Tr. Vol. 20, p. 3236.) By "Mommy" and "Daddy", we referred to Mrs. and Mr. Ballard. I never heard the Ballards nor anyone on the platform make the statement that they could personally heal people, that they had personally healed people, nor that jewelry which they possessed had any healing qualities. I never heard any teachings that heal-

(Testimony of Elsa Chamberlain.)

ing was limited to some physical disability such as a broken [556] finger or a disease. You could have a healing in finances or some discord removed from your body. Fits of temper could be healed. It wasn't just merely some physical ailment, but extended to the mental or spiritual side as well.

I never heard the Ballards or anyone on the platform state that the entire physical body was to ascend. It was always the finer substances that ascended. In explaining the chart, they explained that the finer substance of the physical body was what was taken up into the ascension.

The first class I attended was in Chicago. I didn't leave any love gift at the class and I was not treated any differently than anybody else. It never occurred to me at any of the classes that there was any difference in the way anybody was treated with regard to their apparent financial condition or their apparent social condition. As to the benefits I derived from my participation in the activity, the very first thing that I noticed was that it took away from me the feeling of futility. I didn't feel as though I had to struggle and fight with people in order to really exist, and after that was gone, I noticed that I had a better feeling toward people and I became less and less having fits of temper. So I have much more of a feeling of peace and love and friendliness toward people.

Cross Examination

I went to Chicago for the express purpose of visiting the class. That was after I had some of the

(Testimony of Elsa Chamberlain.)

books. I was a group leader at that time. The first time I became acquainted with the movement was when I heard Paul Stickell in 1936 in Madison. I don't remember whether I bought any books at the first meeting. I did buy some books at the second meeting conducted by him. I don't know whether I contributed any love gifts at either meeting. I don't remember. I have all the books. I have autographed copies, one autographed by Mr. Ballard; the rest are autographed by [557] Paul Stickell. I have heard many discourses during the classes I have attended. I subscribe to "The Voice" magazine and I recall references being made in it to the necessity of studying the books of the Saint Germain Press. I purchased the books as soon as I was able to. I also purchased the charts and pictures and song sheets and a decree book. It is a loose-leaf book, and from time to time, I purchased decrees for that book. I think there are about 400 decrees, counting each side of the sheet. I conducted a class in Madison. We have nine active members and we give decrees at the group. We all read the decrees in unison, each reading from his decree book, unless we have memorized the decree.

The higher mental body of Mommy and Daddy Ballard is the selective discriminating intelligence. It is the body that stands between the physical and the higher mental body. It knows the imperfection of the human and also the perfection of the human. When you call to your Presence for something, the

(Testimony of Elsa Chamberlain.)

higher mental body reaches into the Presence and draws what you need and brings it into your world, if you are harmonized enough so that you can accept it. I called on the higher mental bodies of Mr. and Mrs. Ballard, because I believed that they could help me. I had more faith in their higher mental body than I did in my own which is, of course, wrong. I believed absolutely everything they taught me with reference to this work. I was never a member of the staff of the Ballards and I haven't been associated with them from the very inception of this movement. I know nothing regarding the writing of these books of the Saint Germain Press series from my own personal knowledge, nor of the business activities of the Ballards. The healing was for the healing of any discord. We were taught that by applying this law and applying these teachings, that we could in fact alleviate or help any condition relating to our own personal self that we wanted to help, and I believed that. [558]

Redirect Examination

I still believe the things I was taught and read. About 31 heard Mr. Stickell when he held the second class.

Recross Examination

I think Mr. Stickell had two classes a day for 7 days. The number who attended stayed about the same.

JAMES J. CAHILL

was called as a witness in behalf of the Defendants and testified as follows:

I live in Seattle. I am in the shipbuilding business and have been for quite a number of years. I became interested in the I Am activity in 1936 in Seattle. The occasion of my finding out something about it was my attending a lecture conducted by Mr. and Mrs. Ballard. I did not purchase books or have access to them at that particular time, but did later. I studied and read the different books. I am a group leader in the activity in Seattle and have been for a little over a year. We have two groups there. Mrs. Sayre is the other group leader. After becoming interested in the activity, I met a lady by th name of Mrs. Fowler. She was one of the ladies who had one of the classes there. I assisted her at first. I waited at the door and put out the students that she thought undesirable and did one thing or another to help. There were students that she didn't like. I had a conversation with her later about her wanting to get out of the activity in one of the meeting rooms in Seattle in 1939. She said she wanted to get out of the activity and start an activity of her own. She said she wanted me to go in with her, free and clear of the Ballards.

I have in the neighborhood of a hundred in my group. They are in two separate sanctuaries. Books are kept there. No charge is made of students who may wish to read the books. They are free to the public or anyone who wishes to come in. We have

(Testimony of James J. Cahill.)

meetings every day and every night in the week. We do not request [559] any contributions or love gifts from the students and I have never asked for a dime. I have never heard Mr. or Mrs. Ballard nor any of the defendants ever ask anyone for anything. I have never received any instructions to do so myself. At meetings that I conducted myself or have attended where the defendants or group leaders attended, I have never heard anyone urge others to buy books. I have never heard them urge people to buy any other articles, pictures, or charts, or anything of that sort at all, including radio transcriptions, nothing at all. The meetings were conducted in an orderly and decent manner. I have never heard anything said about cataclysms at any of the meetings while Mr. and Mrs. Ballard were present or any other persons. There was singing at the meetings. We had songs and invocations and prayer (Tr. Vol. 20, p. 3269.)

Mr. Stickell came to Seattle and attended the meetings and I have attended his classes. They were not conducted any differently from my own. The same thing was taught by him as I taught. I have never heard the Ballards say anything on the subject of healing at any of the meetings. I was never told they could heal people. I don't recall anything in particular from the platform in regard to precipitation and I didn't teach it nor make reference to it when I conducted my classes. In regard to ascension, it was not said that the actual

(Testimony of James J. Cahill.)

physical body would take off. I heard nothing of that sort.

The reason the people I had reference to were put out of the meeting was because Mrs. Fowler didn't want them in her group for personal reasons; not for any reason relating to the activity, but for personal reasons. There was no one I cared to put out. There wasn't anybody there creating any disturbance or anything of that sort, but there were people Mrs. Fowler did not want.

I heard Mr. and Mrs. Ballard state many times, "Don't believe us, prove us." I am still a follower of the activity. [560] The benefits which I have received have been numerous, physically, morally, spiritually, well, I think that covers a great deal.

Cross Examination

I am a group leader at the present time. My classes in Seattle are not open. One could not just come up to the door of a Seattle class and walk in now. I don't recall just how long the classes have been "closed" classes, but approximately two years or better. It was while Mrs. Fowler was still in the activity and since she left the work in Seattle, classes have continued to be closed in the same manner. I don't know the ultimate reason for closing the classes, other than to keep out undesirable people, I would say. Nobody told me to close them. I just followed in line with the regular activity. As a group leader, we give decrees at our meetings. We give them in unison. The books that we have in the read-

(Testimony of James J. Cahill.)

ing room are purchased from the Saint Germain Press, as are also the decree books. I have never been a member of the Ballard staff traveling around the country with them, nor have I been closely associated with the Ballards in any business enterprise. The lights, rent and such as that, connected with the maintenance of the reading room, are met by love gifts from the students.

Redirect Examination

I have never sent any money to the defendants. I ran my own class. By undesirable people, I meant those who might come in to cause trouble, profaners, or those who were not sincere.

Recross Examination

The class as a group has given money to the Ballard activity. I could not say as to individual members giving love gifts.

Redirect Examination

I don't make any financial reports to the Ballards.

[561]

THEODORE M. SEWARDS,

being called as a witness in behalf of the defendants, testified as follows:

I am from New York City. I came here purposely and gladly to testify in this case. I am a graduate in science, Ph.D. work in Columbia. I am in educational advisory work. I am on the staff at Columbia University. I was there for five and a half years as their adviser in education, vocational guidance work. I have also had some experience in the study of vibrations, color and light and so forth. I have been interested in vibrations as it affects music, having been married to a singer. For many years we were interested in Professor Hollick of Columbia University and some of the other scientists in the investigation of the effects of music on color and their co-relations. I am a follower of the I Am teachings and proud to be. I have been a follower for five or six years. I first came in contact with the movement through the I Am Discourses. It was a book given to my wife by a friend of hers. I read the book before attending any class or group and then attended the group meeting in charge of Ida Fisher in New York. I have never been a group leader, just a student. I never engaged in the selling of books or magazines or anything of that kind. I have never had any compensation out of the sales. I attended some of the meetings held by the Ballards in New York in the fall of 1936 or 1937, and some of the sessions of all classes held there since. I have attended classes conducted by Mr. Stickell.

(Testimony of Theodore M. Sewards.)

I believed what was taught in the classes, particularly anything I was able to prove. I tried to follow the instructions given in the books and in the classes. I think the effect upon me has been that it has made me a better man and gave me a better understanding of human nature, made me a better friend of humanity, and I prospered financially. I have made love gifts gladly. I have had very many experiences which have confirmed my [562] belief. I am happier; I understand human nature better; and am financially better fixed and get more joy out of life. (Tr. Vol. 20, p. 3286.)

I am married, but my wife is not a member of the movement. The fact has not caused any misunderstanding or trouble between myself and my wife. They taught us concerning healing that there is only source of life and if you make a complete contact with that life principle or source you will get perfection and perfection is healing. That was taught in the classes that I have attended.

Cross Examination

I believe the contents of "The Voice" magazine as they are. I believe that K-17 stopped the submarines from attacking the Panama Canal. I believe that the experiences related in "Unveiled Mysteries" were actually encountered by Mr. Ballard, that he encountered the Sahara Desert experience and the mysteries of the Yellowstone and the chapter about his experiences with the Incas. I should say that

(Testimony of Theodore M. Sewards.)

as far as I am personally concerned the things in the book appear and seem to be true and I believe that it is particularly true of these experiences that took place during August, September and October of 1930 at Mt. Shasta. (Tr. Vol. 20, p. 3294.) I believed everything Mr. Ballard said which was a discourse from Saint Germain or any of the ascended masters. I endeavored to follow the philosophy represented by the statement contained in Government's Exhibit 10, as follows:

> "I urge the students everywhere, with all the Love at my command, to forget everything else you have ever studied. Stand 100 per cent in and with your 'Mighty I Am Presence' and the 'I Am Discourses' by Saint Germain."

Redirect Examination

I have done a lot of analytical work. The question of proof is sometimes not always on the visible, in the visible plane, [563] and you can't always bring your proof down to visibility.

AGNES REGINA KELLY,

called as a witness in behalf of the Defendants, testified as follows:

I am employed by the Interstate Commerce Commission, at Washington, D. C., and have been so employed since 1921. I have been an I Am student

(Testimony of Agnes Regina Kelly.)

since the latter part of 1935. I contacted the movement through a friend who told me of the meetings being held in Washington, D. C. I attended three being held by Mr. and Mrs. Ballard. I bought the book "Unveiled Mysteries" during the meeting, which book I read. I have attended many classes since then. I have been out here eight times. I was in Dallas. I have never been employed by the movement in any capacity. I attended all, except three or four meetings of the class in Dallas. I attended the whole class in Kansas City. I attended portions of classes twice in Chicago, maybe about five days each. I attended all the classes in Washington, D. C., a portion of them in Philadelphia, and classes in New York and Detroit. The Ballards have been in charge of the meeting of all of the classes, except Mr. Stickell and Mr. Cassiere have been in Washington, D. C. The matters discussed by Mr. Stickell and Mr. Cassiere were in substance the same as at the Ballards' classes. They were from the I Am Discourses.

No one ever asked me to buy books or to give any love gifts. I have both bought books and made love gifts. I did so because I have gotten so many blessings from it and I bought the books because the first one gave me the law of life that I was looking for and after that I bought the rest of them because I wanted to continue to reach the goal that was given there and I needed the rest of the instructions. The application of the laws has done me

(Testimony of Agnes Regina Kelly.)

good. For one thing it explained life to me, what we were supposed to do, what we were here for, and how we were to attain this goal. It showed me the goal, what to do, and [564] how we were to attain this goal. It showed me the goal, what to do, and how to get there, and Mrs. Ballard always said, "Do not believe me, but prove me," so I proved it by applying the law as it was given in those books and as given in the instructions, and I am continuing in it to continue to that goal. I have never heard anything said at the meetings deleterious to my morals. Everything I have heard said was in upliftment, not only for the ones that attended them, but for all mankind. Everything that was given there was a blessing for mankind. They have taught us to bless life everywhere we move, to call blessings on everyone, and to be harmonious and be more kind to people and we do that wherever we can; we call those blessings.

Cross Examination

Mr. Neukom: You know on this subject of "Don't believe us, prove us," did it ever strike you as being strange that their books were full of the statements that "everything we have ever said is true"?

The Witness: Well, I proved the law by putting the law into—putting the law into action I proved the law was correct, that it would work just what they said it would do. Therefore, they were right about that. Why shouldn't I believe they were right

(Testimony of Agnes Regina Kelly.)

about other things that I had not yet attained to make it prove through application, but as time went on what they had told before that they had proved, later I did prove; so when they say now that which I haven't attained a state to prove it, why shouldn't I believe it. (Tr. Vol. 20, p. 3305.)

I have proved that the law in those books will act if you put it into operation. I haven't ascended, but everything that is in those books has not been attained by everyone yet. I haven't attained the state required for precipitation yet. It is one of my goals. I would like to see the ascended masters. I have not seen them yet. [565]

Mr. Stickell and Mr. Cassiere in their classes stated that they knew that Mr. Ballard had the experiences that were related in "Unveiled Mysteries". He did have the experiences related in "The Magic Presence". Mr. Stickell and Mr. Cassiere gave the instruction from the books as Mr. Ballard gave it. They didn't put their own interpretation on it at all. They gave the instruction from the books Those who have attained to whom it is to be released will be able to precipitate. It is not up to me to say who they are. I have never heard Mr. Ballard say that he could precipitate. I have read the discourse saying that precipitation of gold and jewels from the invisible to the visible is as simple as real when once that foolish questioning doubt accumulated by the outer is consumed or pushed aside. I did not say that I had pushed

(Testimony of Agnes Regina Kelly.)

aside—I did not say that I had the power of precipitation. To precipitate from the universal first of all you have to be fairly unselfish. You have to have reached a state where you will not use anything for destructive purposes. You have to be so purified, your physical body has to be purified. I have never seen anyone precipitate, nor have I been told of anyone.

I have read the discourse concerning the ascended master one day standing before me. He says, "One day", and that day for me has not arrived yet. Whether it was before I die in my physical body, is up to the great ascended masters whether it would be before or after. I didn't always expect to see the ascended masters and that is not the reason I traveled about from place to place. I didn't feel myself that I had attained a pure state that would allow those ascended masters to come to me. It could be that I heard Mrs. Ballard say that there was a strong possibility that at certain meetings if there was certain harmony present, the ascended masters would appear, but it hasn't been attained so far, but it could be. Nothing was ever said at the meetings about buying the books. "The Voice of the I Am" is for sale at [566] the meetings, but you have to go and get it yourself. A good many of the students have copies, yes; most of them. I read Saint Germain's Discourse in Washington, D. C., referring to the Saint Germain series of books as the most condensed information ever given to man-

(Testimony of Agnes Regina Kelly.)

kind. Before that came in the magazine, I obtained the books and read them because of the instructions that were given me and the law that was given, because I believed and put into practice what was in those books and I got benefits from them. Books were being offered for sale at subsequent meetings. The books can be obtained at any meeting. I bought the books before the paper, Government's Exhibit 44, page 5, was made, wherein it states that Saint Germain did not consider it too much effort to read and reread the books, that the volumes which are found there are bound in covers of jewels, but I believe that those books are the most precious possession that I have. I believe the experiences related therein are true. (Tr. Vol. 20, p. 3316.)

I don't recall having heard Mr. Ballard give the dictation in the April 1939 "Voice". If it was in Washington, D. C., I was there because I attended all the classes. There were other things sold in addition to the books, such as animated charts. Some of the students bought them. The fact that in the Master Jesus' Discourse I was told to stand one hundred per cent for the movement, or the I Am Discourses, I suppose made me have additional confidence in them, but I had additional confidence even before that.

I am with the Bureau of Statistics in the Department of Interstate Commerce.

JUROR BATCHELOR:

I am getting all confused. There has been a lot of testimony that certain things would be accomplished upon the attainment of perfection and these people have testified that they have made these books and these articles their law of life, and I would like to know why they haven't attained that [567] perfection, or what they expect to do in order to attain it.

FRANCIS W. DANA

was called as a witness in behalf of the Defendants and testified as follows:

I live in Portland, Maine. Until 1927 I was employed in the service management of a company which owned and operated 17 large industrial companies, then I went into the banking business in which I engaged until about a year ago when I retired. I am a follower of the I Am activity. I have been since 1935. I first learned of the activity through a letter that my wife received from a friend in New York. I acquired one of the books at a meeting held by the Ballards in Boston. That was the first class I attended and thereafter I attended others. I attended three meetings of the Ballards in Boston, two in Washington, four in Los Angeles during the last three years. I have never heard the Ballards or any one on the platform solicit money or anything of value from anyone during the meeting. I have never heard the Ballards or anyone from the platform urge anyone to buy books or

(Testimony of Francis W. Dana.)

other commercial products, nor did I ever hear anyone make statements concerning the books, other than that they were available for sale. I have heard cataclysms mentioned, but no date was ever set. Participation in the activity has completely changed my outlook on life. I have now a feeling of peace, harmony, happiness and understanding of life such as I have never had before, and to perhaps an unusual degree, it has stimulated my love of America and humanity. In fact, for the first time, I think, in my life I feel anchored in the truth, in the light.

Cross Examination

I loved America before I joined the movement. My understanding of solicitation of money is to ask for it. I have heard Harry Rogers make announcements from the platform, but I am not sure that I heard him refer to love gifts. I have heard announcements that books were obtainable in the lobby. I don't know that [568] I have heard references to love gifts. I have the entire set of books and my wife has one set. I have had occasion to give away a book and bought them. I purchased them mostly through the Saint Germain Press in Los Angeles. I never purchased them at classes. I own charts, pictures and song sheets, which I purchased from the Saint Germain Press. I believed absolutely that the experiences related in the books were true. I have never been a member of the Ballard staff nor in close association with the Ballards and

know nothing of the business dealings of the Ballards.

AUREL DOROTHY EATON,

called as a witness in behalf of the Defendants, testified as follows:

I am employed in the Treasury Department of the United States Government at Washington, D. C. I am a follower of the I Am instruction and have been since 1935, having come in contact with the teachings when Mr. and Mrs. Ballard were in Washington, D. C. I attended the Ballard class in Washington in 1939 and I attended every session of it. Mr. Ballard was on the platform at every session. I heard him make the call with reference to a sword of blue flame. It was a call that he be given the use of the sword of blue flame. Previously we had been given an explanation that the sword of blue flame was the condensation of light rays of blue light, and it was a very powerful activity which could only be used by the ascended masters.

GRACE ADE

was called as a witness in behalf of the Defendants and testified as follows:

I live in New York and I am advertising manager of the New York Greater Federation of Churches. That consists of every Protestant organi-

(Testimony of Grace Ade.)

zation in the metropolitan area. I am an "I Am" student and have my own little group. I have never, never made any financial reports to the Ballards from the group. I have been in the work since 1935. It has benefited me in that it has given [569] me a better understanding of myself and of mankind, and it has made me more charitable and kinder and considerate of everyone.

Cross Examination

I was charitable, kindly and considerate before going in the movement, but it has made me more so.

DAVID E. SAYRE,

called as a witness in behalf of the Defendants, testified as follows:

I am an electrical-chemical engineer. I reside in Seattle, Washington. I am in business for myself, doing engineering work for other people. I have been so engaged for thirty odd years. I was educated at Proctor Academy in Idaho and the University of Utah in Salt Lake. I studied physics and chemistry. I am a follower of the I Am activity and have been since October 1939. I attended four classes conducted by Mrs. Ballard prior to April 1941. They were held in Los Angeles. I never heard the Ballards or anyone solicit any money or anything of value from anyone at the classes, nor have I heard them make any statements concerning the sale of books other than to say they were available.

(Testimony of David E. Sayre.)

I never heard the Ballards or anyone urge persons to buy books or jewels or charts, phonograph records, radio transcriptions, songs or any other commercial product. I have heard the subject of cataclysms mentioned. I never heard a definite date set for a cataclysm. The instruction given by the Ballards, God, the Mighty I Am Presence, and the Ascended Master Law has cleared away many questions and doubts in my mind that I had previously, and made it much easier in doing the work with other people, and harmonizing. I refer to my work as a consulting engineer.

Cross Examination

I read the books before I joined the movement. I have been to every class since joining in the early part of 1940. I came to the class at my own expense. I believed in the truth of the statements made in the books and the various statements [570] made by Mrs. Ballard from the stand, including those regarding ascension. I never heard any statement made by anyone or by any member of the staff regarding the subject matter of love gifts. I noticed love gift boxes at the Shrine Auditorium. I did contribute love gifts at the classes. Part of the reason for my contribution was the belief in the truth of the statements made by Mrs. Ballard. Another of my reasons for contributing love gifts was my belief in the statements in the books. I have purchased song sheets and phonograph records and I have

(Testimony of David E. Sayre.)

charts of the Saint Germain Press in my home. I obtained them either from the reading rooms or the Saint Germain Press direct. I never bought any at the classes. I bought these things in part because of my belief in the truth of all the statements made by the Ballards either in their publications or from the platform.

Redirect Examination

I had other reasons for making love gifts. I feel that it is necessary for an activity such as this to be supported by the ones attending the classes and should be contributed to by them. Natural expenses of renting the halls and conducting the meetings are incurred, which the students should bear. The love gifts mentioned were given at the Shrine class. I put them in the box prepared for that in the foyer of the Shrine Auditorium. I would not necessarily place the money in a container. I might just drop in some money in change or in an envelope, either way.

Recross Examination

I have never been a member of the Ballard staff. I know nothing of the activities of the Saint Germain Press, except in connection with purchasing supplies in connection with group activity.

EVERETT BOERRIGTER

was called as a witness in behalf of the Defendants and testified as follows:

I live at Pueblo, Colorado and work with the Surplus [571] Commodities Division, Surplus Marketing Administration of the Federal Government, and have been since 1935. I am a follower of the I Am activity and have been since 1937. My first contact was when the book "Unveiled Mysteries" was given to me to read. Approximately six months later I attended the class. I continued to read the book. During that period I endeavored to apply the principles in a limited manner. As I continued the application of the laws, I built up a better and more complete understanding of them. I became particularly impressed with the laws given forth, because of their practical application, something I could get my hands on and use. My sleep had been quite disturbed for years before that. I settled that one point definitely and quickly. My eyesight was badly impaired. I could not read without glasses and I could not get a driver's license without glasses; and I worked on my eyes, using the laws of life, and they gradually became better. I do not have my glasses on now and have not had for about two years. I had worn glasses for approximately seven years. The first I Am class I attended was held by Mr. and Mrs. Gallagher in the latter part of 1937. I attended a class given by the Ballards in Denver in 1938, another class given by the Ballards

(Testimony of Everett Boerrigter.)

in Denver, and a class by the Ballards at Cleveland, and at Los Angeles.

I attended a class by Mr. Cassiere in 1938, and 10 or 11 of his classes in all. I attended 4 or 5 of Mr. Stickell's classes in 1938 and 1939. I went around with Mr. Cassiere in parts of Colorado and New Mexico. I have been a group leader but I have never been a member of the staff. My work takes me to these various places, except New Mexico. I saw Mr. Cassiere give away books. He gave me several. I neither gave him, nor did he ask me for any money for them. I placed them in the libraries in the various towns in Colorado. At the various meetings in Colorado, there were from four to fifteen persons present. Concerning [572] love gifts in these cities, I remember distinctly that nothing was given at Lamar, Colorado; less than $2 at Trinidad, Colorado; at Springfield a dollar and something; at Eads, Colorado, I didn't see any love gifts; at Raton, New Mexico, $2 or less. I did not hear Mr. Cassiere or anyone on the platform solicit any money from anyone at the meetings. I never heard him or anyone on the platform make any statement concerning the sale of books, other than to announce they were for sale. I never heard him urge anyone to buy books, jewelry, charts, phonograph records, or any product. I never heard the subject of cataclysms mentioned. I heard healing mentioned. It was stated that anyone desiring to effect a healing would have to give direction to and

(Testimony of Everett Boerrigter.)

call to his own God-Presence, the source of his own divinity and through that source receive healing power. The God-Presence referred to is synonymous with the Mighty I Am Presence. I never heard Mr. Cassiere or anyone say they could personally heal people or that the Ballards could personally heal people, nor that any jewels that the Ballards possessed had a particular healing quality. He touched upon the subject of ascension, but it was never said that the entire physical body would ascend. The purified substance of the body would make the ascension. Concerning precipitation, he stated that the ascended masters had the power to precipitate. The call for healing was made to the God-Presence, and if it came it would be from the God-Presence.

It was thereupon stipulated that if the same questions concerning solicitation, cataclysms, healings, ascension and precipitation were asked the witness with reference to the Stickell classes, that his answers would be substantially the same.

The Witness: I have derived other benefits from the activity. In addition to improved eyesight, I have better health; I feel as though I have a greater understanding of life and I am [573] more satisfied as to the ultimate goal of mankind on earth. I used to go around carrying a sack full of pills and bottles and drugs, and that sort of thing. I have thrown them in the creek. I now

(Testimony of Everett Boerrigter.)

hold a driver's license without the necessity of using glasses.

Cross Examination

I am thirty-five years of age. I was under Civil Service when I worked for the Surplus Marketing Administration. I am not at the present time. I was strong enough to take my position with the Government when I went to work and physically able to carry on the work. Mr. Cassiere was two days in Pueblo on his last trip, one evening each at Trinidad, Springfield, Lamar and Eads. He never told me that he wanted to get the books in the library to publicize the movement. They were placed there at my request. So many individuals in those places were desiring to read the books and were happy to read them if they were placed in the libraries at the service of the public. People never bought the books if they were put in the libraries. A book has been sold at our sanctuary in Pueblo. It is not true that Mr. Cassiere told me that all these books were true, both as to experiences, narratives, and statements. Mr. Cassiere did not tell me anything of the kind. (Tr. Vol. 21, p. 3376.) I don't recall any statement of that type by him. He generally spent his time at the meeting explaining and teaching the laws of life and how we could apply them to our own benefits. I testified on direct examination that none of the narratives or laws or principles in the first book appealed to me, and then that later, after six or seven months, I

(Testimony of Everett Boerrigter.)

applied the laws of the first two books in a limited manner. I found that if I applied the proper application, I got satisfactory results. An example of laws that are of the material rather than the nebulous, would be when I make a call to the Mighty I Am Presence to give me a sound night's rest and undisturbed [574] sleep, I would go to bed and sleep like a baby. (Tr. Vol. 21, p. 3377.)

I do not understand the symbols beside the picture of Saint Germain in the Ascended Master Light, Exhibit 8, or "Unveiled Mysteries", Exhibit 89. Proper application of the laws of this movement may bring about precipitation. This law gave me the ability to no longer use my glasses and to sleep well. Precipitation is a matter of degree and when I get a suit of clothes or a shirt, that is one phase of precipitation, that is a crude manner of precipitating things. This law is very practical. Referring to the I Am Discourses, Government's Exhibit 5, to the effect that precipitating gold and jewels from the invisible to the visible is as simple as breathing when once that foolish questioning doubt accumulated by the outer is consumed or pushed aside, there must be a litle doubt in my system, perhaps a little, or I wouldn't be still limited to certain things. I have many things to do before I can precipitate money and I haven't given that a great deal of thought. (Tr. Vol. 21, p. 3391.) I would have to graduate as in school, going step by step before you go along. It is highly possible

(Testimony of Everett Boerrigter.)

that I could precipitate. I have never been able to precipitate a banquet, as I have read about in the "Magic Presence". The ascended masters can precipitate quite readily. Jesus, for One, precipitated before He made the ascension. He was a Master but before He made ascension, He could precipitate, according to record.

Redirect Examination

We were taught in the activity what is said in Exhibit 47, at page 11, as follows:

> "Therefore, I say to you that your Presence of Life, the 'Mighty I AM' is the Greatest Banker in this Universe and holds forever the continuous supply you require; not of so much coined money, but the Governing Intelligence which enables you to harmonize with the conditions in the human octave that will bring the release of your [575] supply through natural channels.
>
> "In using that term or giving you further explanation of it—you call these outer channels 'natural channels.' That is why I used the expression, but after all the natural channel of all supply is your Presence of Life."

The ultimate source of all things was God, the Mighty I Am Presence.

GATHERINE SLINGLUFF

was called as a witness in behalf of the Defendants and testified as follows:

I am employed by the Aetna Insurance Company at Chicago. I came in contact with the I Am instruction in 1937. I came in contact with it through a friend. I attended a class at Oak Park, Illinois conducted by Mr. Stickell. I am acquainted with Mrs. Bliss of Chicago. I have attended classes conducted by her. I was under her instruction all the time she was in the work from three to four days every week from 1936 to 1939. She stated that she was an appointed messenger. I have never heard her state that the entire physical body was to take off from the earth upon an ascension. I have attended classes conducted by the Ballards. I have heard the subject matter of ascension mentioned by them. Their instruction was that the finer part of the body would ascend into the higher mental body, from the higher mental body into the Mighty I Am Presence, the purified substance.

Mrs. Bliss stated at the classes conducted by her that the finer part or purified substance of the physical body would ascend.

Cross Examination

I purchased books of the Saint Germain Press from the book store and from the different classes and our reading rooms. I became interested in the movement prior to the time I purchased books. I read the magazines and ascension was taught in the

(Testimony of Katherine Slingluff.)

magazines as well as the books. I recall the old and the new [576] dispensation. The difference between the new and the old dispensation is that in the new dispensation, the residue or the remaining part of the physical body is consumed through cremation. Under the old dispensation, it was consumed through the light rays, in which event it is absorbed back into the elements (Tr. Vol. 21, p. 4307.) The witness was shown a magazine and asked to read a passage, to which she replied, "May I put on my glasses?"

Mr. Lazarus read from Exhibit 13, pages 12 to 14, the May 1936 issue of "The Voice" magazine.

The Witness: I have heard it taught in classes that at the moment of ascension the gravity pull of the earth can no longer affect the body and the body ~~rises~~ into the atmosphere and goes wherever it wishes. Under the new dispensation the portion of the body which has not been purified sufficiently would remain behind and be consumed through cremation. Mrs. Bliss stated that she was appointed directly by Saint Germain through Mr. and Mrs. Ballard. In other words, Saint Germain told the Ballards to appoint Muriel Bliss his messenger.

I have attended classes in Cleveland and Detroit and Washington, as well as Chicago. I have contributed love gifts and purchased books. I believe that everything in the books is true. I believe everything in "The Voice" magazine that is dictated by the ascended masters is so done. Anything

(Testimony of Katherine Slingluff.)

there that has Mr. or Mrs. Ballard's signature was given no doubt through Saint Germain's instruction. I believe the statement in the magazine that it is an outlet of the help from the ascended masters. It has no human concepts in it. I bought the books and magazines because I accept the law that they present. It is the law of life and that is what I take out of it. I believe the magazine has no human concepts in it.

Redirect Examination

My love gifts were absolutely voluntary. No one asked me to give them. [577]

Recross Examination

I have heard reference to love gifts from the platform.

NIELSINE KILDAH

was called as a witness in behalf of the Defendants and testified as follows:

I live at Mason, North Dakota. I taught first at the State University of North Dakota, and then I did research work at the University of Chicago and assisted in research work in the University of Minnesota. My educational background has been along the lines of biology, principally in botany. I graduated from the University of North Dakota. I have a B.A. and M.A. and Ph.D. from the University of Chicago.

(Testimony of Nielsine Kildah.)

I am a student of the I Am activity and have been since 1936. My first connection with it was when I went to a class conducted by Mr. Cassiere in Minneapolis. I am a member of Sigma Psi, an international honorary society membership in which is given in recognition of research done in any field of science. I have attended every session of a class in Washington, D. C. in 1939. I did not miss a session. I saw Mr. Ballard on the platform during each and every one of the sessions. I saw him come to and leave the platform. He was walking without assistance. I have never heard a date of a cataclysm mentioned at any Ballard class. I have never heard money solicited by them or anyone on the platform. I have never heard any statements concerning books other than to announce them, nor the purchase of any other articles solicited. The statements concerning healing were that the Mighty I Am Presence is the only healing power in the universe. If we conform with the law of life and meet the requirements and then call to the Mighty I Am Presence, it will charge us with its healing rays and healing will take place. Mrs. Ballard never stated at any class I attended that the Bible was a filthy book. I have heard her make reference to the Bible, sometimes quoting the sayings of Jesus and others. I don't recall her ever making any statement regarding the Old [578] Testament. I heard Mr. Ballard make a statement from the platform in November 1939 with reference

(Testimony of Nielsine Kildah.)

to a sword of blue flame. He called for the sword of blue flame in his hands. I had heard it previously referred to. It is a focus of the blue light ray. It was to be used to purify any discordant condition. It is used by the ascended masters. I have noticed benefits from the activity. It gave me a working principle by which to guide my life, and I found that upon applying that principle it brought a great many—it changed my life a great deal, made it much easier for me, brought a great many blessings into my life. I am 74 years old.

Cross Examination

I am sure Mr. Ballard got the sword of blue flame. It is not visible to the physical eye. It is too high a vibration. He didn't say that he had received the sword. That is my conclusion. The sword is used by the ascended masters and Mr. Ballard was not an ascended master at that time. We can call to the Mighty I Am Presence and the ascended masters to use the sword of blue flame. I have called for it to be used.

No. 10059

United States

Circuit Court of Appeals

For the Ninth Circuit.

EDNA W. BALLARD and DONALD BALLARD,
Appellants,

vs.

UNITED STATES OF AMERICA,
Appellee.

Transcript of Record

In Four Volumes

VOLUME III

Pages 983 to 1318

Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

PARKER PRINTING COMPANY, 543 SANSOME STREET, SAN FRANCISCO.

JANE MAGNUSON,

being called as a witness in behalf of the defendants, testified as follows:

I have lived in Chicago for about 12 years. I am an I Am follower and have been since March 1938. My first contact was through a friend and I thereafter attended a class held by Mr. Cassiere. I purchased and read "Unveiled Mysteries". The laws and principles in the book, rather than the narrative of events, appealed to me. The law, rather than the narrative, appealed to me in the "Magic Presence" which I afterwards read.

In September 1938, Mrs. Bliss asked me to assist in the reading room and activities in Chicago. I made her acquaintance about a month after I contacted the activity. I am also acquainted with Mrs. Maude Hill. My connection with the reading room has continued. I saw Mrs. Bliss as long as she was connected with it. [579] She never said anything during that time about limiting the time that people could read in the reading room, nor did Mrs. Hill make any statement of that nature. I attended classes of Mrs. Bliss on an average of three times a week and many times oftener. I never heard Mrs. Bliss state from the platform that at the ascension her entire physical body would go up and ascend. Mrs. Bliss discussed healing and said that it could be accomplished through the call to the Mighty I Am Presence. Mrs. Hill was present on those occasions. I have attended 7 or 8 Ballard classes, the

(Testimony of Jane Magnuson.)

first in Denver, 3 in Chicago, one in Minneapolis, 2 in Los Angeles, and then Mrs. Ballard had a class in Chicago last summer. I never heard Mrs. Bliss make any statement on the subject of precipitation to the effect that you just visualize what you wanted from particles in the sky and it would come down to you and that that was what precipitation was. As to whether or not Maude Hill was present on those occasions, may I answer this way: that Mrs. Hill was at the classes always when I was there. I have attended four of Mr. Cassiere's ten-day classes. They were in Chicago, Oak Park, and Evanston. I have also attended Mr. Stickell's classes in Chicago. I never heard the Ballards nor anyone on the platform solicit money or anything of value from anyone, nor make any statement concerning the sale of books other than to announce they were available. I never heard them urge anyone to buy books or charts, jewelry, phonograph records, or anything else. I have heard the subject of cataclysm mentioned, but no certain date was set. I never heard the Ballards nor anyone on the platform state they could personally heal people nor the jewels they possessed had a healing quality. I never heard the Ballards, nor anyone state that the entire physical body was to ascend. I have heard the two dispensations explained, the new and the old. The purified substance of the physical body ascended. Under the new dispensation the denser portion of the physical body is consumed by the outer activity of [580]

(Testimony of Jane Magnuson.)

fire, which is cremation. Through the light rays projected by your higher mental body and the assistance of the ascended masters, the remaining portion dissolved prior to the new dispensation. (Tr. Vol. 21, p. 3452.) I never heard that anything would ascend except the purified essence or purified substance in either case. Concerning precipitation the statements were that anything you called forth through your calls is a form of precipitation. The calls are to your own Mighty I Am Presence.

It was thereupon stipulated that if the same questions on the general subject of precipitation, cataclysm, and so forth, were repeated to this witness with reference to the classes of Mr. Cassiere and Mr. Stickell, that the answers of the witness would be substantially the same.

The Witness: In the outer fire mentioned, the body is consumed by a fire activity. In the latter dispensation the body has to be disposed of, so we use cremation. That is an outer activity, I mean an activity that anyone can use whether they make their ascension or not; but we use that outer activity of disposing of the denser part of the body.

Cross Examination

Refreshing my recollection with the Discourse contained in Government's Exhibit No. 49, the May 1939 issue of "The Voice" magazine, the portion of the Goddess of Justice's Discourse, as follows,

(Testimony of Jane Magnuson.)

> "Remember, Beloved Students, the time is rapidly approaching when not one person who doubts these Messengers will be allowed to come into the classes and remain. (Applause) Not they will judge, but We.",

my answer is absolutely the same, that the teachings of the Ballards were, "Do not believe us, prove us".

In the matter of healing, the Ballards have given assistance [581] and they have said that they would give assistance to anyone's own call to their own Mighty I Am Presence. This would be done through the call to their presence and to your presence or the one who is called. If I felt it necessary to have the Ballards' assistance, I would write them or ask them for such assistance, but I call to their higher mental body to give the assistance that my Mighty I Am Presence needs to bring forth the healing.

I know the statements in "Unveiled Mysteries", are true, the narrative as well as the laws. I believe that Mr. Ballard was actually in those places that he was supposed to be at the time set forth in the book. The same is true of "The Magic Presence" where it refers to the adventures of Lotus and Don in various places. I believe that Mrs. Ballard and Donald were also there at those times.

I would have bought the books for the law even though the narratives were not true. The law I refer to is the law of life, the law of our own being. I have been seeking all my life, the law of our own being. I have been seeking all my life to know why I

(Testimony of Jane Magnuson.)

am here, and where I am going, and how I am going to get there, how to have better health, how to have more opulence, how to be happier, how to be a better citizen. It has answered everything, and in those first two books the whole of the law of life is given. By applying the law through natural channels, by making your calls, by giving obedience to the law of life, that which you require is granted you. (Tr. Vol. 21, p. 3463.) One of my goals in applying the laws is to be able to precipitate eventually.

I believe the statements in Discourse No. 8 that precipitation of gold and jewels from the invisible to the visible is just as simple as breathing once that all-consuming doubt has been removed. I have no doubts. [582]

Redirect Examination

Healing was not limited to broken bones or disease. It included anything that was discord in your world. The removing of any discord would be considered healing, whether it was financial or otherwise. The ultimate source of all things, whether it be gold or otherwise, is from the Presence.

ARTHUR P. BUCK,

being called as a witness in behalf of the Defendants, testified as follows:

I was ordained as a minister so they sometimes call me Dr. Buck, but I have no college degree to

(Testimony of Arthur P. Buck.)

warrant that. I live in Cheverly, Maryland. I was an ordained minister of the Christian Church, sometimes called "Campbellite". I was employed 36 years in the Interior Department of the Federal Government and retired some three years ago. I was Assistant Chief of the Accounts Division and receiver of public moneys when I retired. During the time I was employed, I was without a single hour's sick leave, never under a doctor's care, and I haven't had a single day's sickness since then.

I am an I Am student, and I conduct one of the evening groups in Dr. Bressler's class in Washington. I think I am of record as a group leader, but not as it is generally understood, as Dr. Bressler is the real group leader. I have been in contact with the activity since 1935 when my daughter attended a class of the Ballards. I am a Minute Man. At Minute Men meetings, there is a regular group outline, invocation and songs, explanation of the chart, decrees, salute the flag. We never omit that. We sing songs, always some patriotic songs. I have never heard anyone at the so-called Ballard classes solicit money or urge them to buy books. The nearest to that is that sometimes an article has been read and they will say that you can get a copy out on the tables. I have never heard it suggested that anyone buy jewelry, phonograph records or other commercial products. [583]

According to their statements in the matter of healing, they called to the I Am Presence or God

(Testimony of Arthur P. Buck.)

in an action or a decree in the name of the Mighty I Am Presence. There must be, of course, the preparation of the one praying to receive. A decree as I understand it is that if we desire something we call to the I Am Presence for that and then we declare that which we have asked for to be a truth, that is, we make a positive acceptance of the coming forth of the thing that we desire. From my knowledge and explanation of the law of life, as taught in this activity, I have been able to come from a physical condition of such weakness as I had to rest on my way to the shop to where I have already mentioned that I worked 36 years without a single day's sick leave. Other particular benefits have been that there has been in every way greater harmony between me and the people that I meet. They are more friendly towards me—well, there isn't anything specific, but just a general—I have greater happiness and kindly feeling, and all that.

Cross Examination

While my contact with the activity was in 1935, I have applied the law of life substantially as is now set forth in these books, and because I had applied that principle of law of life I was able to accomplish that transformation from sickness to such a perfect health as I never lost an hour's time. I have served the Government for 36 years. I retired about 3 years ago and in such service prior to 1935 I did not have one sick leave and I didn't lose an

(Testimony of Arthur P. Buck.)

hour's service. That was during the period even before I got into the I Am movement. It was not as a minister or as a Campbellite. I learned it from wide studies outside of being a minister or Campbellite. That was before the books came out in 1934. The slips which you have shown me as a part of Exhibit 190 were the decrees or prayers that we gave at the Minute Men's meetings. We were not to make up our own decrees for use in the group meetings. There was need for uniformity in a group meeting. Individually, it was different. I never sold decree books at my meetings. I observed that they were sold and I have seen people buy additions to their books. I have known [584] the decree to be given which is in Exhibit 34 at page 42 decreeing that the ascended masters say that a chart, pictures and books be in every home and school in the United States of America and the world. (Mr. Neukom read this decree.) I have not decreed it. I have been aware that people were buying magazines and books, yes. I have not followed it. I have never known that there were instructions to buy the pictures, an American Flag and chart for each group meeting. The statements you read in Exhibit 187, letter No. 3, at page 5, do not say "Buy". I knew the pictures of Mr. Ballard were being sold at varying prices from $2.50 to $25.00 by the Saint Germain Press. I joined with others in decrees that "The Voice of the I Am" be the most sought-after periodical of the day.

LEONA CARTER,

being called as a witness in behalf of the Defendants, testified as follows:

I live at Kansas City, Missouri, and have been a follower of the I Am activity since 1935 when a friend handed me a book, the "Unveiled Mysteries". I read it and subsequently read the others of the Saint Germain series. I have attended about fifty Ballard classes and one by Mr. Cassiere, also four of Mr. Stickell's classes, which I believe was in 1938. I have been a group leader since the winter of 1939 and now am. My group has never rendered any report to any of the defendants. We have a reading room in Kansas City, which includes a lending library. The reading room is open from ten in the morning until ten at night for anyone who wants to read the books. People can either read them there or take them out of the lending department to read. There is no time limit on how long those in the reading room may read. When they are loaned out, *we them* as a rule to keep them only two weeks because there are numbers of people waiting for the books. No lending fee is charged and no fine if they are kept longer. We have also put the books in all the libraries in Kansas City, [585] Missouri and almost a complete set in the Kansas City, Kansas library, the main one. We tried to take them out to Leavenworth, Kansas, in the institution, and in Excelsior Springs, Missouri. We placed them in the Kansas City, Kansas library

(Testimony of Leona Carter.)

two and a half years ago and in the Kansas City, Missouri library one and a half years ago. I have never heard the Ballards or anyone on the platform solicit money or anything of value from anyone nor make any statement concerning the sale of books other than to announce that they are available. They simply mentioned that we could buy them and we, as students, they are our textbooks and we may inquire where to buy them. I never heard any one urge the sale of jewelry, charts, phonograph records, or any commercial product.

I have heard statements concerning cataclysms but never a statement in which any certain date was set. A healing was to be accomplished by the call to God, the Mighty I Am Presence. I never heard the Ballards or anyone state that they could personally heal people, nor that any jewels they possessed had any healing quality. I never heard them state that the entire physical body was to ascend. They said the purified part of the physical body would ascend. Statements concerning precipitation were that it is a law earned by the individual. I mean that there has to be certain momentum gained and certain purification. The person who needed something must make a call to the Mighty I Am Presence.

Cross Examination

The books that I placed in the libraries I bought myself from the Saint Germain Press. I received the Harry Rogers group leader letters from time to time as they came forth and read them. I read the

(Testimony of Leona Carter.)

group leader letter urging that all join in the decreeing that the book "Ascended Master Light" be in the hands of every human being on earth. (Mr. Neukom read this decree from Exhibit 104.) I did not read that group leader letter to the class. I am [586] a hundred per cent student and believe all the statements contained in the books and all those contained in "The Voice" magazine. Precipitation was something a person might achieve when certain perfection was obtained, that is when all doubts were removed; I had no doubts about the matters stated in the books and magazines. We were taught that the physical body would not ascend under the earlier principle or doctrine regarding ascension. The purified essence of the physical body ascended at the time of passing. That which remained was consumed by the light rays with the assistance of the ascended beings. I don't recall that it was brought to my attention whether anything remained for burial. The density of the body would be visible after the ascension. Under the new dispensation the purified essence ascends and that which is left is cremated. I have read "The Voice" magazine, May 1936 issue, Exhibit 13, page 11, that when one calls to the Mighty I Am Presence to take complete and eternal control of all the energy and consciousness of his personality, which means his mind and body, he too will release into and through his body, the light needed to increase their vibratory action to the point where the body can rise into the air.

CLARE JOHNS

was called as a witness in behalf of the Defendants and testified as follows:

I live in Portland, Oregon. I came in contact with the I Am activity in 1936 and am at present a student. I attended 16 or 17 Ballard classes in Portland, Seattle, San Francisco and Los Angeles. I am a group leader and connected with the reading room and sanctuary in Portland. The reading room is the place which has the books for the people to read and the sanctuary is where the classes are held. All the books of the Saint Germain series and the copies of "The Voice" are available for people to read without charge. I have never heard anyone solicit money or things of value at the classes. Absolutely not! I have never heard it said they must buy books. They are for sale at the reading room. They are there for anyone to purchase them if they so desire. There are no large signs around saying the books are [587] for sale or saying the price of them or anything of that kind. They are kept there as a matter of convenience. I have been connected with the sanctuary for four years. In the sanctuary, we have the charts and pictures of Saint Germain and Jesus and Mr. Ballard and some pictures of the other ascended masters and an American Flag. They were purchased through love gifts of the students. There were no financial reports made concerning the reading room or sanctuary with reference to the operation of the sanctuary or love gifts collected.

(Testimony of Clare Johns.)

Regarding benefits from the activity, before I contacted it I was subject to these terrific nervous headaches and I would pace the floor in agony, and that has all gone. And, of course, I have a great peace and happiness and joy and life is very different since I came into the activity.

Cross Examination

The books from the reading room and objects in the sanctuary were purchased from the Saint Germain Press. From time to time group leader letters were received from the Ballards which I read. Frequently I read them to my group. Before the indictment my group never made any love gifts to the Ballards of any kind. Since they have been indicted, they have been made for the defense. I have read all the group leader letters that were sent out. The group leader letters were signed by Mr. Rogers. I knew that he was a member of the Ballard staff at the time.

Mr. Lazarus read from Exhibit 104, a group leader letter, dated November 2, 1937, and from group leader letters dated April 12, 1938 and June 24, 1938. (Tr. Vol. 21, p. 3527.) [588]

DEWEY C. B. HAWLEY

was called as a witness in behalf of the Defendants, and testified as follows:

I reside in New York and am District Manager for the New York Telephone Company. I have been connected with it for 19 years. My education has been two years of college at Hamilton College. I am an I Am student and first contacted the books early in 1935. During a visit to a faculty member of a boys' school, the book "Unveiled Mysteries", was called to my attention on a table and I arranged to borrow it and read it. As soon as we got back to New York, I arranged to purchase the book. Subsequently, I attended 15 or 20 lectures by the Ballards. I have never heard them solicit any money or other things of value, nor urge anyone to buy the books and publications of the movement, or jewelry or phonograph records.

The substance of what was said concerning precipitation is that it is a natural law, that most of the things in the outer world are expressions of that law, and that as we attain understanding of the laws of life, we increase our ability through our calls to our Presence to accelerate the action of that law. All comes through the Mighty I Am Presence being manifested through normal channels, through the channels we all experience in our day-to-day life. To call that into being one should place attention on the Mighty I Am Presence and also live in harmony with the principles of the law of life, not to look to other personalities, not to sit back, but to

(Testimony of Dewey C. B. Hawley.)

actively pursue the course towards a constructive desire. Benefits to me from the activity have been numerous. In the matter of health, I never felt better, some of which is undoubtedly traceable to the fact that I lost appetite for smoking and drinking since undertaking the study of the law of life. The matter of my outlook on life, it is utterly changed. I have much greater confidence as a result of my anchorage through answers to questions that have always been in my mind. This is [589] particularly apparent to me during the period such as we are now going through. I also think it has been helpful in my business. In the matter of business, I have progressed in my understanding of the law—I might explain first, as in most businesses, my business is measured by statistical results of various kinds—it became more apparent to me as I gained in my understanding of the law that a great many around me approached their job from the standpoint of what you might call a fear complex. They did well because of fear of consequences. As that has become clear to me, I have endeavored to bring about a change there wherever I found it, and to replace it by a positive desire to do better for the sake of doing better. It has been paralleling my appreciation of the law or principles of expanding perfection. I am in charge of 75 or 80 people in my present job, and I have endeavored to apply my understanding as far as those other people are concerned. (Tr. Vol. 22, p. 3541).

(Testimony of Dewey C. B. Hawley.)

My wife is also a student. She is a college graduate.

Cross Examination

I am very healthy and in 1935 was pretty healthy. I find it rather difficult to enumerate the fear complexes I had in 1935. The natural normal channel of precipitation would be the pay envelope.

I have two sets of books and parts of others. I have purchased other copies and given them to others. I purchased them usually at the reading room. Sometimes at the classes. I have some autographed books. I was never a member of the Ballard staff. I know nothing of the activities of the Saint Germain Press.

Regarding the statement which you have read from Exhibit No. 3, at page 4, concerning precipitation, I want to make it clear that my understanding, my acceptance and my belief in the utter good faith of the defendants is based upon my reading of all the books and magazines, upon what I have heard from the [590] platform, upon my own experiences in applying the law, and in consideration of the whole rather than on excerpts. Sometimes excerpts don't carry out the whole sense of the portion. Precipitation can work either way, through the pay envelope, or as outlined in Exhibit 5, Discourse 10, at page 120, wherein reference is made to the precipitation of gold. (Mr. Lazarus read this portion of the discourse).

(Testimony of Dewey C. B. Hawley.)

Redirect Examination

I realize the following reference follows the previous statement concerning precipitation of gold:

> "I see within you a certain Inner understanding of the Great Law, but you are not outwardly aware of It enough to produce that which you desire direct from the Omnipresent Universal Supply.
>
> "'The Truth of Life is, you cannot desire that which is not possible of manifestation somewhere in the Universe. The more intense the feeling within the desire, the more quickly it will be attained.'"

I merely used the pay envelope as an illustration of the normal channel of precipitation. My connection with the activity has been as a student only. I am not personally acquainted with Mrs. Ballard. I came here voluntarily from New York at my own expense to attend this trial.

Recross Examination

I have a profound desire to follow the instructions given and to accomplish everything encompassed by the instructions. I have not been able to accomplish instantaneous precipitation. I know of things which keep me from accomplishing instantaneous precipitation. I know that my limited understanding of the law and its application represents that. When my understanding becomes more

(Testimony of Dewey C. B. Hawley.)

full, I expect to be able to accomplish it. My means of making my understanding fuller is to further the [591] direction I have started and to continue my application of the law as taught by the Ballards as set forth in the books.

ALICE GRAY ROY

was called as a witness in behalf of the Defendants, and testified as follows:

I reside in Brooklyn. I am a follower of the I AM activity and have been since 1936, when someone sent me "Unveiled Mysteries" for Christmas in 1935. After I read the book, I contacted a class the following Thanksgiving in Detroit. In the meantime, I had read other books. We sent for "The Magic Presence" and the "I Am Discourses", which I read before attending the class. I attended about 23 classes, but not all the sessions, in Boston, New York, Philadelphia, Washington, New Jersey, Detroit and Los Angeles.

I am a registered nurse and married. My husband is a dentist and a follower of the activity. I never heard the Ballards nor anyone on the platform solicit money or anything of value, or make any statement concerning the sale of books, except to announce that they were available, or urge the purchase of jewelry, charts, records or any other commercial product. I heard the subject of cata-

(Testimony of Alice Gray Roy.)

clysm mentioned at the classes, but I have never heard the Ballards or anyone on the platform set a definite date for a cataclysm. Statements concerning healing were to the effect that it would be brought about by a call to the Mighty I Am Presence. I never heard the Ballards nor anyone on the platform make a statement that they could personally heal people. The call was to The Presence, always. I never heard them state that jewels which they possessed had any healing quality or that the entire physical body was to ascend. The purified part of the flesh body, they said, would ascend. The statements concerning precipitation were that you called to the Mighty I Am Presence. The Presence is the doer. We call to the Mighty I Am Presence for whatever we desire, and the Presence finds a channel to bring [592] it into our world.

I have been a group leader since early 1937 up until the present. I never rendered any financial reports to the Ballards nor to any of the defendants. Our group has never sent money to the Ballards.

I attended five or six of Mr. Stickell's classes, and Mr. Cassiere was a guest speaker one evening in New York at a class I attended.

Thereupon, it was stipulated that if asked the same questions concerning the Cassiere and Stickell classes, the witness' answer on the same questions regarding healing, cataclysm and solicitation would be the same.

(Testimony of Alice Gray Roy.)

The Witness: I have derived a very great deal of benefit, both physically, mentally, spiritually and in every other way, financially, from the activity. I have often heard the Ballards say, "Do not believe us, prove us." Love gifts at any classes I attended were never taken up. They were left in the boxes or plates, I guess you would call them, at the door. Individuals did it of their own free will. They were not solicited. There was no passing of any plate or anything like that. You pick up a love gift envelope as you go in if you want to. If you don't, you just don't. None of these gifts were sent out to the Ballards or anyone. Most of the money went to pay the rent and expenses of the room.

Recross Examination

I have never sent a love gift to the Ballards as a representative of the group. I have given love gifts to them personally.

RUTH MARY LOVETTE,

was called as a witness in behalf of the Defendants, and testified as follows:

I live in Washington, D. C. I am married and the mother of seven children, the oldest being 27. My husband and myself are [593] I Am students, as are all of our children. My first contact with the activity was in 1935 in Washington, D. C., when a friend told us about it and urged me to go. I attended

(Testimony of Ruth Mary Lovette.)

classes in six different cities throughout the United States, about 20 of the large classes. I have never heard the Ballards nor anyone solicit any money or anything of value. Not once have I heard them urge anyone to buy books. Concerning healing, we must harmonize ourselves and give obedience to these laws. Then we are to call to our own Mighty I Am Presence for the illumination of the mind and the healing of the body. Then we can call to the Great Healer, the Master Jesus, and His Blessed Mother Mary, for that healing too. They could assist in it. Then we would have to have *to have* acceptance, of course, for the healing to take place.

The benefits derived from the activity by me are that I have been healed from paralysis, diabetis, an acute heart condition, very serious nervous disorders—oh, so many things. I was a cripple for years and years, ever since 18 years of age. I have been a cripple, and after coming into the understanding, this great teaching, I have been cured of all these things and I feel that my life has been saved. My misery was so great throughout the years that many times I contemplated suicide, and now I love life. I know what life is and I love it and I want to live.

Cross Examination

By Mr. Neukom:

Q. Let me find out all of these things you were suffering from. Diabetis? A. Yes.

(Testimony of Ruth Mary Lovette.)

Q. Acute heart ailment? A. Yes.

Q. What is the rest?

A. Well, I had nervous prostration for a whole winter and pneumonia. [594]

Q. What else? A. Neuritis and arthritis.

Q. What else?

A. Inflammatory rheumatism, malaria fever. I was attended by at least 15 doctors and specialists.

Q. Did you ever hear of the word "hypochondria"? A. I am not a walking dictionary.

Q. You know what it means, though, don't you?

A. Well——

My youngest child was born four months after the first Ballard class. That would be in March 1936. Six of my seven children were born prior to the time I joined the movement. Two of them are healthy enough to be in the Army.

Redirect Examination

I was a semi-invalid when I joined the activity, not being able to walk upstairs unassisted.

Recross Examination

I am not sure I named all the diseases I had.

CARL LOVETTE

was called as a witness in behalf of the Defendants and testified as follows:

I am the husband of Mrs. Ruth Mary Lovette. I came out here in an automobile to testify at the

(Testimony of Carl Lovette.)

trial. I am an I Am student, and have been since November of 1935. We have observed many benefits from the activity. We are financially much better off than we were before through this activity. It has meant that our little baby girl has not had to have an operation, as well as many instances such as coming out here. We no doubt would have been killed had it not been for the call to the Presence. It was snowing, and as night came on it began to warm up a bit and it became quite slippery. Coming down a hill, there was a sudden turn which I had not seen until I was almost upon it. Applying the brakes, of course, the car did not stop. I attempted to turn and still I continued to go straight toward the [595] posts that were placed at the turn, and Mrs. Lovette, of course, making the dynamic call to the Mighty I Am Presence, which is God in Presence, for protection, it was just as though a great hand reached out and stopped the car. There have been many such instances of a similar nature. When our youngest child was born, the doctor said the tear ducts had been damaged or closed. I made a call to the Mighty I Am Presence to heal it and it was done instantaneously.

My business is supervisor of an electrical construction works. I have attended Ballard classes. They said concerning healing, that an individual must maintain harmony, must apply the law, and give the obedience necessary; that people also must make the call to his Own Mighty I Am Presence,

(Testimony of Carl Lovette.)

and in addition to that one may call for the assistance of the ascended masters, to the Beloved Master Jesus, the Archangel Michael, and others. A healing was not or is not confined to just a physical thing. It may be a [595A] healing of the pocketbook or a condition in your business as well as a physical body ailment.

Cross Examination

Juror Barton: I would like to ask the witness what an ailment of the pocketbook is.

The Witness: The messengers, Mr. and Mrs. Ballard, have stressed that God, the Mighty I Am Presence, created everything that there is in the universe that is constructive and, of course, money is one of the channels by which we may have many things for our needs and requirements, so since God is the owner and the producer of that money, we then make the call to God the Mighty I Am Presence to heal the pocketbook, or to, in short, put some money in it. We live according to the laws. The messengers have never asked obedience to them, but only to the law of life, our own life.

ISABEL GARDINER

was called as a witness in behalf of the Defendants, and testified as follows:

I reside on Long Island, New York, and have for about 31 years. I first became a follower of the I

(Testimony of Isabel Gardiner.)

Am activity in 1935. I was told of the book "The Magic Presence" by a friend and I bought it in New York. I read it and other books of the Saint Germain Press, which I got as soon as I could. The teaching was much the most important, because that was for all mankind. By that, I mean the laws and principles. After reading the books, I attended classes. I have been here six times. I have been in Florida twice, to Chicago twice, to Cleveland three times, and then I attended all the classes in New York, Philadelphia and Washington, and one or two short classes in Connecticut. I have a small group on Long Island of which I am group leader, since 1937. We have never rendered any financial reports to the Ballards nor any of the defendants. They have never asked for anything. We had practically no expenses, as the meetings were held at my place, and once or [596] twice when we wanted to express our gratitude, we sent some small amount for use in the radio activity, I think it was. We never asked how the money was used. I have never heard the Ballards or anyone on the platform solicit money, make any statements concerning the sale of books, other than to announce that they were available, or urge anyone to buy books or to purchase jewelry, charts, or any other commercial product. I heard statements made concerning the cataclysm, but never heard anyone on the platform set a definite date for it. Healing was to be accomplished by calling on the law for forgive-

(Testimony of Isabel Gardiner.)

ness for our own mistakes which had made the healing necessary, and then calling to our own Mighty I Am Presence, and if we did not feel that our own consciousness of the nearness of the Presence was sufficient to give us the confidence necessary, we could call to one of the Ascended Masters, to Jesus, to the Great Archangel Michael to cut us free with his sword of flame, or to any of the great Ascended Masters, and they would project the light rays and illume our consciousness to a point in which discord would be released from us and then from the body. I have never heard the Ballards make any statement that they could personally heal people, or that any jewels they possessed had any healing quality, or that the entire physical body was to ascend. The purified part of the physical body ascended.

Concerning precipitation, it was said that as students, we would naturally receive precipitation through the nearest and most normal channels, but that if we were able to so purify our consciousness and hold ourselves harmonious, that we attained the consciousness that the Ascended Jesus Christ had before he made the ascension, that we could then precipitate as the Ascended Masters did. The call or decree for precipitation was directed to the Mighty I Am Presence.

Concerning a cataclysm, I heard Mr. Ballard say that [597] he would rather not know when it was and face it when it came, than know when it was

(Testimony of Isabel Gardiner.)

coming. That was said from the platform at a class at Washington, D. C.

I have been benefited from the activity in that I am stronger in every way. I am happier than I have ever been in my life. I am conscious that I can call for protection for those I love and have the answer. I have been helped financially and I have had answers to my calls too many to enumerate. I will be 64 in April.

Cross Examination

I believed the narrative contained in "The Magic Presence" and "Unveiled Mysteries" were true. I believe that Mrs. Ballard and Donald had encountered the experiences as related. I know that during the period I have been a group leader broadcasting has been done from radio transcriptions in New York and that the students buy the transcriptions from the Saint Germain Press. The broadcasts were not always before the Ballards came to hold the classes. We contributed in a small degree for the broadcasting. Mrs. Ballard has held classes about twice a year in New York. No love gifts were taken up. At the option of the students, they could be placed in the boxes in the foyer. I received Harry Rogers' group leader letters from time to time. I accepted them as from him and with some reservation. They did not come from Mr. and Mrs. Ballard, though they did come from the places where the Ballards were. I knew he was a member of the staff and making announcements.

(Testimony of Isabel Gardiner.)

Redirect Examination

The number of people attending the classes in New York would be in the hundreds. [598]

IRENE M. HUDSON

was called as a witness in behalf of the Defendants, and testified as follows:

I reside at St. Paul, Minnesota. I have been a follower of the I Am activity since 1936. The first contact was through a friend. I went to a class held by Mr. and Mrs. Ballard in San Francisco. I didn't acquire any of the books because I didn't have the money. I thereafter did acquire some, at first the "Unveiled Mysteries", and then other books. I probably have attended more than 50 of say, ten-day classes, or longer or shorter. I traveled with the Ballards from the beginning of 1937, about February until April of 1939. I was not a member of the staff. I assisted the staff. I would stay at the same places where they stayed. I would be with them a considerable part of the time. I attended all the classes as I went along. I have been a group leader since 1936 in Oakland, and except for the time I traveled with the Ballards, I have been since then. As such, I never rendered any financial reports to the Ballards nor was I asked for one. I think I attended every Shrine class in Los Angeles, except one in July, 1939. I did not hear Mrs. Ballard state

(Testimony of Irene M. Hudson.)

at the Shrine class of 1936, nor at any other, that the Bible is a filthy book.

We have a reading room in Minneapolis and one in St. Paul. I am in charge of them. We have had inquiries for books at the reading room. When that particular book was not available, I have referred them to the public library. I have never heard the Ballards or anyone from the platform solicit money or make any statement concerning the sale of books, other than to announce that they were available, or urge anyone to buy books, jewelry, charts or any other commercial product. I have heard them make general statements concerning cataclysms but not set a definite date. The statement concerning healing was that the first thing was to call for forgiveness and then make the call to the Mighty I Am Presence to take charge and produce perfection in the body. They [599] never made any statement they could personally heal anyone. They always turned everybody to their own Mighty I Am Presence and directed us that it was the Mighty I Am Presence that was the doer in all of these things. I never heard them state that any jewels which they possessed had any healing quality, or that the entire physical body was to ascend. The purified essence of the physical body would ascend. Substantially, it was stated that precipitation is an activity that is going on all the time. It may be instantaneous or it may take a longer period to manifest, depending upon the consciousness of the individual who is trying to bring

(Testimony of Irene M. Hudson.)

it forth. If they have rolled up a momentum of energy over a period of time, it will be more instantaneous than someone who has just started to work out this method of teaching. There is a definite instruction on it. I believe in "Unveiled Mysteries" there is a definite exercise at page 101, where you were instructed to sit down and think over whatever plan you are trying to bring about, and then in a very definite way write it down in a concise manner and then take whatever you have written and read it over two or three times a day and visualize that particular thing or plan in the way that you desire to bring it forth.

I have derived great benefits from the activity in my health. The first lecture that I went to in San Francisco, my body was so depleted in energy that it was all that I could do to sit there and listen through the two hours, or however long it took. The next class, in July, I was an usher in the class and stood up for several hours, and ever since I began using the statements, making the application that was given to us, I have steadily improved in health. I have also improved my financial affairs and perhaps the greatest benefit is the peace in my heart in this time of chaos in the outer world.

Cross Examination

I have bought the books published by the Saint Germain [600] Press, as they came out. The public libraries in Minneapolis and St. Paul have the

(Testimony of Irene M. Hudson.)

books. I have known people to go to the library from the reading room to get the books. I have heard the Ascended Masters ask the students to read the books.

The following from Government's Exhibit 89 was thereupon read to the jury by Mr. Cannon:

> "'I see within you certain Inner understanding of the Great Law, but you are not outwardly aware of It enough to produce that which you desire direct from the Omnipresent Universal Supply. You have desired to see something of this kind so intensely, so honestly, and so determinedly, it could no longer be withheld from you.'"

Mr. Cannon: That is marked with blue ink, and in the margin in the handwriting of someone: "So did I, and it was not withheld. M. B."

It was stipulated between counsel that the last portion, the handwriting on the Exhibit, is the handwriting of Muriel Bliss.

The following portion of Exhibit 89, page 4, underscored in purple ink, was read to the jury by Mr. Cannon:

> "'"The Truth of Life is, you cannot desire that which is not possible of manifestation somewhere in the Universe. The more intense the feeling within the desire, the more quickly it will be attained.'"

Mr. Cannon thereupon read from page 136 of said

(Testimony of Irene M. Hudson.)

Exhibit, in the margin of which Mrs. Bliss had written, "Jesus' mission":

> "'When Jesus said: "Verily, verily, I say unto you, the works tnat I do shall ye do also, and greater works than these shall ye do." he knew whereof he spoke,' continued Saint Germain.
>
> "'He came forth to reveal the Conscious Dominion [601] and Mastery that it is possible for every human being to attain and express, while still here on earth. He showed the Dominion of the Ascended Master, and proved to mankind that it is possible for everyone to so call forth his God Self, that he can consciously control all things human.'"

PAUL STICKELL

was called as a witness in behalf of the Defendants, and testified as follows:

I am 52 years of age. I have lived in Chicago since 1914 and I am an attorney-at-law. I am a lawyer and a lecturer. The first class I attended was one held by Mr. and Mrs. Ballard at their home on 84th Place in Chicago. I thereafter attended group meetings in their home and in other places in Chicago, Mrs. Bliss' home and another place in Oak Park. Mrs. Bliss was holding classes before the Ballards left Chicago. I started as a lecturer sometime in the latter part of 1935. I lectured in Chicago and

(Testimony of Paul Stickell.)

after leaving Chicago, went to various parts of the country and conducted classes and I have been doing so until the present. I have no financial interest in the Saint Germain Press or Saint Germain Foundation. I have never been a director of either. I conducted classes in the principal cities of about 35 of the states, and in Vancouver, Canada. My traveling and living expenses were paid out of the love gifts that would come in at the various classes. In the beginning, I sold books and there was a commission granted me which I used to help defray expenses, and I also used my own money. I sold the books for approximately two years, but after that the places where I went over the country had the books at the sanctuaries and they took charge of them. I had nothing to do with them after that. I never made any reports to the Ballards concerning love gifts that I received, nor was I ever called upon to make any. I have never laid aside any money from the love gifts. I used it all in the [602] work, paying hotel bills, paying hall rentals, distributing books and magazines. I used it for that way only, and to defray my expenses. I used it all for that purpose. I put money into the movement in the beginning for quite some time. In the beginning after I started out, I put in a large portion of the money that I received from war insurance and bonus money. As I recall, it was $700.00.

I never had any conversation such as that related by Mrs. LaFerrera to the effect that in the

(Testimony of Paul Stickell.)

year 1938, I had said that I would not stop in San Francisco and speak to the students on my way down the coast because the last time I was there, there had been an unpleasant incident regarding love gifts, and that I had received only $175.00 for seven or eight days, and felt I hadn't gotten all the love gifts that were given to me there. I never had any such conversation in substance or effect. I had not been in San Francisco in the fall, or prior to December, 1938, and I never had any such conversation with Mrs. LaFerrera or her husband, but in the spring of 1939, in Chicago, Mr. and Mrs. Gallagher and Mr. and Mrs. LaFerrera and myself were talking about going to San Francisco to hold a class. A class had been arranged for San Francisco and Oakland in June, 1939. We talked about that class. The only conversation that came up at that time about love gifts was that someone wrote asking whether or not I had received a love gift and I asked her something about that, if she knew the party or something, because I had not received the letter. That was the only conversation I ever had with Mrs. LaFerrera or anyone about that San Francisco class regarding love gifts. I made no such statement. I have never made any statement to the effect that I would not go to any city because of the small amount of love gifts. I made no such statement and had no such conversation as that related by Mrs. Fowler concerning autographing certain books after a class in Seattle to the effect that books

(Testimony of Paul Stickell.)

[603] autographed by me had a special radiation because I was a messenger, a different radiation from that of accredited messengers, or that there was a certain blessing registered in the book where I had autographed it. I do not autograph books because I am not the author, but Mr. Ballard said to me, "If at any time the students would like to have you write a blessing in the book and sign your name to it, that is perfectly all right." So I said to Mrs. Fowler, "If there is any student that would like for me to write a blessing in the book, I would be glad to do so." Nothing was said whatsoever about radiation at any time. When I have written a blessing and signed my name, there has never been any charge made for that. There was no charge at any time for any of this instruction. It was all a free gift of love.

I did not make the statement in 1939 attributed to me to Mrs. Fowler that there would be no war in Europe; that Saint Germain would keep war out of Europe. I did say to Mrs. Fowler and to the students there in Seattle that the Master Saint Germain and these Great Masters had made the statement that if enough people in Europe and in America would call to God and decree peace instead of decreeing war, the great powers of light, the ascended masters and God would and could stop the war, if they were to make the call to these great ascended hosts who are the angelic hosts. I never had any conversation such as that related by Mrs.

(Testimony of Paul Stickell.)

Fowler to the effect that in Chicago whenever I had before me a plate of food the sinister force would project poison germs over my food, and that they resembled little, black flies, and that it would take an hour to dissolve them by pouring light on my food so I could eat it and the food would not poison me, and that these black germs were in the invisible plane. I recall one time when we were having a luncheon and she mentioned that she did not like to eat food that was prepared by people who were not loving and kind, and that the radiation of people who hated affected the food, [604] I said, "Well, always call to God to bless the food and it will harmonize the whole condition." That is the only recollection I have of any such conversation and is the only conversation I had with her concerning the purification of food. The chart which is before me in court symbolizes the individualized presence of God that runs through this universe. It is sometimes referred to in the Scriptures as the Father in Heaven, this activity here.

This that you see here symbolizes the presence of God, of which man is made in its image and likeness, described in the last three verses of the first chapter of Ezekiel. This activity here that you see is the heart center. That heart center is the activity of God, the power of the universe in action. This comes from the heart of creation and the activity of it is I Am. The Mighty I Am Presence, God, the

(Testimony of Paul Stickell.)

Mighty I Am Presence, is so called by the great religions, the deity or God. It is also called by some of the great teachings in our great religions and philosophies the Supreme Ruler of the Universe. It is also called the Divine Activity of God, the Divine Intelligence, and this Presence here came from out of the heart of God and the masters, the ascended hosts, from which this knowledge comes forth released through the Ballards to the world at large, comes as a gift of love, and for those who desire it, it is here for them, and for those who do not desire it, it is perfectly all right; they may forget about it.

The individualized presence of God, as you see here, is called the electronic body, and the heart of this universe, the great central sun, is what we term the heart of God, the Creator of this universe, and this Presence came forth from that great central sun, so every individual on this planet came forth from the heart of God. When this came forth from the heart of God, first as a flame, a ray of light within it, and then that electronic body was formed out of this electronic essence or [605] substance. God, when he created this universe, issued a cry, "Let there be light", and everything in this universe came forth out of that light, even the system of worlds to which we belong.

Now, that heart center there is what we call the Magic Presence or the Mighty I Am Presence, God in action, the individualized presence of God.

(Testimony of Paul Stickell.)

This that you see around it, that is called the coastal body. These rays of light going out in all directions are the activities of divine love in action pouring forth into the world of mankind divine ideals and divine activities.

That stream of light that comes down here that you see has been called in the great religions the silver cord, also in the great philosophies. The ascended masters called this the silver cord or the stream of life from the heart of God that inter-penetrates and animates and sustains and brings into existence the physical body.

That stream of light flowing down here flows into and through the brain into the heart and permeates and sustains this physical body. That is life, and life going from that great Presence is God in action.

The activity of this is I Am. I Am is the name of God. In Exodus, the 14th chapter, the third chapter, and the 12th, 13th and 14th verses, God said, "My name is I Am. I am the God of Jacob. I am the God of Isaac. I am the God of Abraham." I Am is the name of God. I Am Presence is the Presence I Am in energy released in the action that sustains, animates and enables this physical body to walk, to see, to think and to act.

That energy of life flowing down here permeates this entire outer activity and brings into existence four bodies: the physical garment, the emotional body, and the mental body, and the etheric body.

(Testimony of Paul Stickell.)

Those four bodies comprise this one thing; that then is the symbol of the high living God. This outer activity [606] is made in the image and likeness of God and created by God the Mighty I Am Presence.

Now, when this takes its attention off of God, that great being, the father in heaven, and lowers it down here into the outer, it then begins to use the processes of reason, analysis, argumentation, and experimentation, and acquires everything through acting in the outer world, acquiring business, money, and the requirements for this through the activity of the muscles and through thinking, reasoning and analyzing.

When this takes your attention off of that presence, that has been referred to in the Scriptures as the Garden of Eden activity. When this gives its attention of father in heaven, it walks and talks with the father in heaven. In other words, this brings this through that stream of life and at all times that this wants done out here.

When the outer activity called the physical takes its attention off of the present, then it has to use these other processes of reasoning and so forth, and that is called, it has lost its way in the wilderness, that is, into the outer human things. But when this begins to raise its attention upon God, the Mighty I Am Presence, and begins to call to this, this presence here begins to answer it by giving to the constructive desires or its desires the things it wants and manifestation out here.

(Testimony of Paul Stickell.)

So that if this, the human, so-called by the outer world, makes the call to God, the Mighty I Am Presence God, calls to the father and he will answer you, then if you decree that, this will release the energy in action through you or the outer and the wisdom required to bring into existence whatever you require in your business affairs or in governments, colleges, universities, or great religions, or whatever the constructive activity may be.

This activity will lead this through to victory in [607] every constructive activity that this takes a part in, because that constructive desire is a direction from the presence of God who rules the universe, and it is visualized in action.

These four bodies, the physical, the emotional, and the mental body, the mental body is somewhat of a counterpart of the physical and the emotional body is the feeling body, and that extends to about three feet in all directions. Into the feeling body this energy pours and permeates the flesh body. At the back of the neck, to every cell of the body, a thread of light runs to every cell and in every cell there is a point of light. That point of light is the pattern for the physical garment, the physical body. That is the vehicle.

Now, when this takes its attention off of the presence and begins to analyze and working things out from an outer and reasoning things and passing judgment, if the indulgence is in criticism, condemnation, and finding fault, and not going back here

(Testimony of Paul Stickell.)

for the constructive thing to do, this energy in the feeling body becomes contaminated with shadows or dark thoughts. That is called in the great religions the soul, and those things must be taken out of the feeling body. They must be purified.

Then the psychological world, those things are called concepts, that which holds your attention in the feeling body. Your feeling body is the reservoir for this energy.

Seventy-five per cent of that energy that flows down here flows into the feeling body and the emotional body. The other 25 per cent is released into the atmosphere. Of that 75 per cent of that energy that comes down here that remains here, 90 per cent of that energy is in the feeling body and the other 10 per cent is in the mental body, approximately that amount. So that when this entire outer activity, the feeling body and the emotional body and the physical body, becomes contaminated with all of these qualities, it forms into a sort of a shell, as the Master Jesus [608] called it, the shell of human creation, and as we go along through a lifetime, that shell becomes quite dense and that is what we call the body of the human, and that is the activity in our great religions that they call the soul that must be purified.

I asked Mr. Ballard, I said, "Mr. Ballard, what must I do to purify and dissolve that accumulation in my world and what will take place if I do that?"

And he said, "If you will call to the Presence,

(Testimony of Paul Stickell.)

your Creator, and ask it to dissolve that accumulation, to annihilate it and consume it from the universe, it is misqualified energy, the presence of life, and your violet flame to your world, if you bring that to your world, it will take out of your emotional body all wrong thoughts and all wrong habits. But," he said, "you will have to continue to do that. And as you continue to do that, you will find eventually that the attention will begin to automatically ascend to that presence, and whenever you call to the Presence, you will always be directed and shown what to do."

I said to Mr. Ballard, "Well, I am going to prove that true." And that was back in '33.

He said also, "You must protect yourself from the outer world's accumulated thought and feeling and ask the Presence to flow like a tube of light."

He said, "If you will do that, the Presence will draw that tube of light around you."

He also made the statement that "When you visualize yourself to be a brilliant, dazzling being in a golden sun and issue the fiat or the decree, 'I am the resurrection and the life; I am the truth, the light and the way', the resurrection and the life," he said, "was the perfect expression of God. And as a man thinketh, so is he. So issue that decree and blaze to your world a violet consuming flame. "

Finally he said that would purify and cleanse the human. [609] The human is something more or

(Testimony of Paul Stickell.)

less than misqualified energy, and our great religions call it evil or sinister force in our feeling bodies, in our thoughts and feelings, that are discordant, and the violet consuming flame, when you place that in your world, it gradually dissolves those thoughts and feelings and you become harmonious and your attention begins to ascend to that Presence.

Now, between this outer activity, remember this is the temple of the high living God, and when you call to God to dissolve, to blast, to annihilate, and consume the human, that enables the presence of life to release into this outer shell, which is the shell, and it dissolves and consumes it, so that the temple of the high living God can become pure again, or the soul.

And as one continues to do that, they gradually prove that true. Their attention begins to ascend upon the Presence, and between this Presence and this there is what is called the higher mental body. Your higher mental body is the selective discriminating activity of God. It is the all-knowing mind of God. It is the body in form like this, but not as brilliant and dazzling as that great being there. And it is alongside of this Presence, and through that higher mental body this energy of life is lowered into this lower optic and stepped down into action into this lower decree which is the atomic structure.

When you call to this, "Thine eyes are too pure to behold," your higher mental body knows the protection of this and what is to come into existence

(Testimony of Paul Stickell.)

here. It knows what is taking place up here, but when you call to the Presence, it is the higher mental body that releases into your world that feeling or desire which is the direction or impulse from this as to what it wants to do here.

Then you issue the decree, "Mighty I Am Presence," a decree is a positive prayer or affirmation. When you say, "I am going downtown," that is an affirmation; that is a decree. The [610] activity of God is I Am. And this ascended master instruction coming from the ascended masters gives to us their understanding and use of those words.

We in the intellectual world always follow those words with a negative expression. For illustration, if you say, "I am not going down town," the energy of life is not released to move the muscles and take you downtown. The words "I Am" release into action life, intelligence, substance and energy, or life which is God in action.

The ascended masters and Jesus always preceded every important statement with the words "I Am." For illustration, "Mighty I Am Presence, you take command of my world and you produce perfection out here. Mighty I Am Presence, take command of my business affairs and you charge forth into it your perfection."

So every day we endeavor to create or bring forth greater perfection in all of our activities throughout the day, and the ultimate goal is perfection or the raising of this outer activity into the higher

(Testimony of Paul Stickell.)

mental body, and it returns home to the Father's house. The Master Jesus accomplished that and said, "All mankind must do that sometime. All of these things that I do, ye shall do, and even greater things than these shall ye do."

So that the words "I Am", it required one year and a half of continuous study on my part to understand those two parts from the ascended masters.

This is the ultimate of human existence. That is the father house and this must ascend and return home to the father's house. This outer activity is a precipitated thing; the human, or the flesh garment, has been precipitated by this presence, projected into the atomic structure, and when this outer activity blazes through this world of outer flame and brings its attention there and continues to call to that, this entire outer human accumulation of energy in the feeling body and in the flesh body [611] gradually dissolves and as that continues to dissolve under the old dispensation, that is purified and cleansed completely and there comes a time when this is released from the magnetic pole of air. And the ascended masters, when this releases itself from the physical flesh garment, as it is being released gradually and until a time when it is completed under the old dispensation, the ascended masters and the higher mental body release the rise of light into the flesh garment and it dissolves it.

Under the new dispensation the etheric body, the flesh body, the emotional body, and the mental body,

(Testimony of Paul Stickell.)

all of that energy penetrates the feeling body that has been purified up to a certain time of so-called death, if it has not all been completed. The great ascended master, Saint Germain, made the statement that by reason of the effort of the students under his direction, (he being the authority for the Seventh Ray for the matter of the earth which has to do with the spiritual culture of the nations, discussed in various philosophical avenues of learning as well as in this), the purified substance at the time of so-called death that has been purified is drawn into the etheric body. Then, in the three days from the time of so-called death while the purified substance is being withdrawn, the greater master purified the etheric body which is one of the bodies of the outer and they draw that substance, the purified substance, into the etheric body, and it ascends into the higher mental body and returns home to the father's house, and the outer activity is cremated.

The foregoing is a general statement of the instruction which I gave. I believed in the instruction when I gave it, and I believe in it now.

Cross Examination

I did not carry the chart with me as I went around the country lecturing in the activity. I used the ones that they had at the various groups. I did not sell them. It sold for [612] $200.00. The large chart works on the same principle as the small one.

(Testimony of Paul Stickell.)

Mr. Cannon: There is no magic about it. It will turn off when you pull the plug out and it will turn on when you plug it in. There is nothing magical about it, and we have never claimed it to be magical.

The Witness: I explained the law of life as given to me by the Ballards from the ascended master's instruction and from the books. (Tr. Vol. 22, p. 3648). In the various classes throughout the country, Mr. Ballard would say that the Master Saint Germain is here, or any of the other great ascended hosts, and he would say that the great Master Saint Germain, or whichever one it was, would want to dictate and he would call it to our attention in that manner. He would also give to us the instruction that he said was coming from the Master Saint Germain, and he would read it in letters of light.

I saw Saint Germain in Chicago and on the platform in the Shrine Auditorium in Los Angeles. He is a being of great light and a great divinity. I never shook hands with him. He stood out in front of me. I saw on the Shrine platform in Los Angeles the Great Being, the Master Jesus that you have seen the picture of here, Mr. Ballard standing back of Mrs. Ballard in a brilliant body, and also the Master Saint Germain, all three of them. Saint Germain resembled Government's Exhibit 201. His face was a great light or dazzling light. He resembled it. There were no figures around him. He looked the same in Los Angeles. He was wearing light gar-

(Testimony of Paul Stickell.)

ments, garments of light. I did not have a conversation with him.

I was a lawyer before I went into this movement, and made my living practicing law. I did not make my entire living from the movement in 1936, not at first. That was when I started to go forth and money I had in my possession I used in the activity. I do not [613] recall whether the love gifts were $7566.93 in that year. I think so. As to my income getting better, I do not recall the income from love gifts, the sale of books, ever amounting to much over $9,000.00. It may have run above $9,000.00. I did some work for the Ballards at the office of the Saint Germain Press before I went out lecturing. I did various things. I helped in the office, packing books, and one thing and another. I was doing that while I was practicing law in Chicago in the summer of 1935, and conducting meetings in the evenings at various places in Chicago. They paid me for the work in the office. Prior to the time I went forth, I had a talk with the Ballards. I had conducted classes there in Chicago. Mrs. Bliss invited me to conduct group meetings at her home and from that there were many groups formed and meetings over Chicago, and people came from out of the city over the country and attended those group meetings. Finally, Mr. Ballard said to me when we were discussing it—he asked me if I would go forth, and at the request of these people who had invited me to come to the various parts of the states, that

(Testimony of Paul Stickell.)

is, Toronto, Canada, and a number of places in Ohio, Wisconsin—I said all right. He said, "Go forth", and I did not go forth except at various places in Wisconsin. I did not close up my business until in 1936. I devoted most of my time to going forth in the activity in 1936. I couldn't tell you the amount I received for helping out at the Saint Germain Press in the summer of 1935. It runs in my mind as $25.00 a week. In the latter part of '34 or in the fall of '34 Mr. Ballard came into my office one day and said: "Saint Germain has appointed you as a messenger." And he handed me a letter at that time. Saint Germain was not there at the time. I couldn't tell you at the present time what the letter said except that he appointed me a messenger. I believe that I can find it somewhere among my papers. I would have to look in my brief case. I travel all over the country and it runs in my mind that that [614] letter is in one of my brief cases. I have the letter. It is in one of my brief cases and I think it is with me in the hotel. I don't recall when I last saw it. I asked Mr. Ballard at the time, "What am I to do with this letter?" and he said, "You retain it and unless it becomes necessary, you can show it if you want to, if anybody wants to see it." I don't recall whether anyone has asked me to see it. I have had it in my possession all of the time. It is a typewritten letter. I heard the explanation of the Mighty I Am Presence in the classes in Chicago and in the three classes in the home of

(Testimony of Paul Stickell.)

the Ballards, in the home of Mrs. Bliss and in Oak Park. They explained the Mighty I Am Presence and gave it forth practically as I explained it this afternoon. I first heard the explanation of the chart during the year 1933, during one of the classes. The Ballards explained the discourses that they had in their possession at that time. It would be difficult for me to show you one of the Government's Exhibits which has the explanation of the chart as I have given it. I could direct you to the second chapter of the "I Am Discourses" book which gives you the explanation of the "I Am the resurrection and the life," and "I Am the way of the life and the truth." You will find that in "The I Am Discourses" book, on page 12, Discourse No. 2:

> "When Jesus said: '"I Am" the Resurrection and the Life', He gave forth one of the mightiest Utterances that can well be expressed.
>
> "When He said, 'I AM', He did not refer to the outer expression but He did refer to The Mighty Master Presence-God Within, because He repeatedly said: 'I of my self can do nothing. It is the Father within-the "I AM"—that doeth the works.' "

There is nothing in the discourse where the word "chart" is used there. I heard Mr. Ballard make statements several times concerning the reference to Ezekiel. I don't recall where I heard [615] the

(Testimony of Paul Stickell.)

reference the first time. I gave forth the instruction in the manner in which it was explained by Mr. and Mrs. Ballard in Chicago, in 1933 and 1934, and as I hear them explain it from the platform and also from the books. There is an explanation of the chart in Government's Exhibit 10, the February, 1936 issue of "The Voice". The witness thereupon read from Government's Exhibit 10 concerning a chart as follows:

"The Upper Figure in the chart represents the Electronic Body of the 'Mighty I AM Presence', which is the individualized focus of God, who creates the physical body.

"The circles of color around the Electronic Body represent the causal body. This is the accumulated good of all previous embodiments, and is composed of all substance constructively used in previous lives. It is a reservoir of energy constructively qualified, being the sum total of all previous Self-conscious effort toward Perfection.

"The Rays of Light going forth from the 'Presence' are the Divine Mind or Love in action, continually pouring out Its Gifts of Perfection into the use of the human personality.

"The lower figure represents the physical body, surrounded by the Violet Consuming Flame, held within the Pillar of steely White Light pouring down from the 'Presence'. The White Light of the Pillar forms a wall of pro-

(Testimony of Paul Stickell.)

tection around the physical, emotional, and mental bodies and acts as an insulation to all discord and destructive creation of the outer world.

"Between the Electronic Body and the physical is the Higher Mental Body which is the discriminating selective Intelligence, that knows the Perfection of [616] the 'Presence' and the imperfection which the human has drawn about the physical body, but refuses to accept the imperfection. It knows the requirements of the physical Life, reaches into the 'Presence' and draws forth whatever is needed to change outer conditions into perfection.

"When the student calls to his 'Mighty I AM Presence' to surround him with the Electronic Circle of Protection and to pass through his mind and body the Violet Consuming Flame, the 'Presence' instantly projects this Wall of Light and Violet Flame around the physical, emotional and mental bodies. Thus, the student of Light can move in the world and yet, be unaffected by the discordant destructive creation of other human beings, as well as the accumulated discord of humanity in the past.

"Everyone must some day, sometime, somewhere consciously call forth this Pillar of Protection around his human personality, in order to cut himself free from the surrounding in-

(Testimony of Paul Stickell.)

fluence of the outer world and attain his Ascension.

"This is the Law of the individual's Life and the way by which he becomes the Ascended Master and manifests Perfection in all his activities."

The Witness: There is no scriptural reference in any explanations of the chart in "The Voice" of February, 1937, Government's Exhibit 22. When you use the words "I AM" in conjunction with the teachings of this movement in the manner taught by myself and the Ballards, you cannot ultimately precipitate. The only precipitating presence in the universe is God I Am. The human of itself can do nothing, but the I Am Presence, God, precipitating everything there is in this universe, whether it be form [617] or expression, and it is the activity of God in everyone of us that releases an idea and that idea that we in our thoughts and feelings hold our attention upon it and complete it, that is the activity of precipitation. This building is a precipitated building, from this instruction and from all instruction we understand in the light of this great truth. It would be close to it to say that God does the precipitating and by following this teaching you can raise yourself to such a point of perfection that God will precipitate for you anything you desire, including health, money, gold, or jewels. Every individual on the planet, whether it be an I Am student

(Testimony of Paul Stickell.)

or who it may be, they are all using I Am because I Am is the creative principle that releases God into action and whatever follows those two words He creates in your world, my world, in every individual on the planet, whether they be I Am students or not. As we continue to purify our thoughts and our feelings, these ideas from our creator, the Mighty I Am Presence, come forth very fast and the method by which they are brought forth into express, we decree that activity into movement and that is a precipitated activity, whether you want more business, you want to expand your business, or whatever you do in your professional life or any constructive activity. If you wish to suppose that one desires a diamond, that is a prompting from the Mighty I Am Presence God and it wants you to have it. And then you continue to hold your attention upon it until it comes into your hands and use.

I have not been able to precipitate. I haven't attained that perfection in the manner in which you have in mind, except that we all in our business affairs and our outer activity, we precipitate in that manner. I have, and all mankind. I have often asked the Presence to reveal to me what is to be done in a certain activity and immediately get the answer and that is instantaneous precipitation. As you proceed on, until you have purified this outer physical garment sufficiently in that your attention rests [618] upon your presence and that this pres-

(Testimony of Paul Stickell.)

ence of life "I Am" can trust the human, this outer activity, at your call to the Presence, it will release into action down here the things that it desires to produce in the manner in which Jesus brought it forth, when man attains that perfection that He attained, that spiritual expension or achievement. I have never precipitated any material thing for my own use, not in the higher optic. The Mighty I Am Presence is the only precipitating presence. It will do the precipitating and when it is going to do that, I do not know. It has not revealed that to me. I will have to purify myself sufficiently first. (Tr. Vol. 22, p. 3678). All of us will.

I received my bonus money in 1936, I believe. I put it into the work by buying an automobile and that automobile took me from place to place where I held the classes. I do not recall the amount of books that I sold. The first year there were quite a lot of books sold. I have never had any serious quarrels with Mrs. LaFerrera. I never had any quarrels with Mrs. Fowler at all. I have proved this work true as I told Mr. Ballard I was going to do. I am much better in my health. I am stronger. I am happier. I have made great progress in many ways in associating with people and learning to adjust myself, being kinder, and it has made me clear in thought and in feeling. I put forth every effort never as much as to let any statement go forth unless I know the source from which it comes. I try my utmost to speak the truth at all times. In

(Testimony of Paul Stickell.)

calling to God, the Mighty I Am Presence, we are more determined than ever to put forth more effort to live an honorable, honest and pure life. As to whether I am better off financially since I went with the Ballards, after I have paid all of my expenses, hotel bills, the upkeep of the automobile and hall rentals, I would have a lot more money left if I were to practice law in Chicago.

The pamphlet, Government Exhibit 208, is one that was sent out to various cities to these various individuals throughout [619] the country who invited me to come there and give forth this instruction; they asked me for a pamphlet or folder that they may hand out or give to their friends, the students. I would have them shipped from the printer at Milwaukee. He would ship those folders to these various people that I would direct him to send them to, and how they handled them, I could not tell you, except that they mailed some out, they said. They gave some to the people, students and those who come into the sanctuary. The pamphlets refer to me as an appointed messenger and to the radio broadcasts from which a further knowledge of the work can be gathered. If they (the broadcasts) announced my classes, I had nothing to do with it, except on one or two occasions Mr. Ted Dahl asked me if I would not see to it that he received a letter from me giving the dates and times and places of my classes. He was the Ballard radio agent. I informed the Ballards as to where I was

(Testimony of Paul Stickell.)

going and was in communication with them frequently. With Mr. Ballard's permission, the folders were modeled after ones used by Mr. Ballard. I did not see the ascension of Mr. Ballard. I only saw Saint Germain at those classes in Chicago. No one was present when Saint Germain appeared to me.

Redirect Examination

The occasions on which I saw these ascended masters are very sacred to me. In the income tax return which shows $7566.93, the Government allowed me deductions for hotels, railroad fares, auto expense, etc., totalling $5578.11. Government's Exhibit 7, at page 98, contains all of the scriptural quotations which I used in explanation of the chart, and that Mr. and Mrs. Ballard used. It isn't true that a great many of the lectures were given in sanctuaries or homes or halls provided by the various groups.

Recross Examination

In the start, in the early part of 1935, those groups were held in homes in Chicago, and then after that they were held [620] in halls in hotels, or in Masonic buildings and women's clubs. I did not pay for the hall in the ten-day class in Seattle. It ended on a Sunday night. While we were having breakfast, Mrs. Fowler handed me an envelope and said, "Here is a love gift that will take you over the highways and byways to expand the work of the Master Saint Germain." When I opened the envelope, there was $300.00 in it.

MATTIE HORN

was called as a witness in behalf of the Defendants, and testified as follows:

I am an I Am student and have attended the Ballard classes in 1936, in Los Angeles, Cincinnati, Cleveland, Detroit, Los Angeles again. I was here twice in 1936. I think I arrived in July. The class started in June. As I remember it, we didn't get here until July. I never heard Mrs. Ballard make the statement that the Bible was a filthy book. [621]

HAZEL PALMER

was called as a witness in behalf of the Defendants and testified as follows:

I live in Kansas City. My husband is a construction superintendent for the Kansas City Power & Light Company. We are both followers of the I Am activity. I attended seven Ballard classes, six of Mr. Casiere's classes and six of Mr. Stickell's classes. I attended the Ballard classes in Kansas City, Washington, D. C., Chicago and Los Angeles. I never did hear the Ballards or anyone at the classes solicit money or anything of value or make any statement concerning books, other than that they were available, nor urge anyone to buy books or solicit the sale of jewelry, charts or any commercial product. Cataclysms were mentioned, but no definite date was set. They said that healing was

(Testimony of Hazel Palmer.)

to come about through God, the Mighty I Am Presence only. We had to make our call to that and accept the healing before we could receive it. I never heard the Ballards state they could personally heal anyone nor that any jewels they possessed had any healing qualities. The main benefit I received from the activity is knowing we are not victims of circumstances. By controlling this energy we can control those things, become master of them. The laws, rather than the narratives, impressed me most in the books.

It was thereupon stipulated that if the same questions were asked the witness concerning the Cassiere and Stickell classes that the answers would be in substantially the same manner.

Cross Examination

The Witness: I have a set of the books and two or three others. I purchased them at different places, from the classes and from the sanctuaries. I believe everything that is in those books. (Vol. 23, p. 3727.)

SUSANNAH MILLS

was called as a witness in behalf of the Defendants and testified as follows:

I dive in Mill Valley. I am an I Am student. I first [622] contacted the books in 1934 at a metaphysical book shop in San Francisco. I had been browsing around looking for something that would

(Testimony of Susannah Mills.)

answer my questions on why I was in physical embodiment and what I could do to improve my condition. I attended all of the sessions of the Ballard classes at the Shrine Auditorium in 1936. Mrs. Ballard absolutely did not say that the Bible was a filthy book. I have been at classes where *Hary* Rogers has made announcements. The substance was that he would say there were books or pictures in the lobby for those who desired to purchase them; if they wished them, they were there for their convenience. Then we usually would have the contemplation group. We would give a few decrees and maybe sing a song or two, then there would be a lapse of a few minutes, after which he would announce the messengers coming. It was said at the contemplation gatherings that if it was impossible for students to purchase books, that they would see that they were provided for them.

Cross Examination

Every once in a while Mr. Rogers would make that statement about books being available for those who couldn't buy. It was not at every class.

I own three complete sets of books which I purchased and a loose-leaf decree book containing somewhere around 400 sheets. Some of them were given to me. No books were given to me. The decrees are read phrase by phrase in unison by the class. If they don't have their own books with them, or if they don't own the books, some of the other

(Testimony of Susannah Mills.)

students let them look on with them. Most of them have their own. When new decrees come out I see them in the sanctuary on the book desk. I purchased them at my own desire. The group in Oakland I belong to is a very nice one and has a general average attendance of around 125 to 150. That is just the sanctuary classes. That is not the big classes. About 2000 attended when the Ballards came up there and held classes in [623] 1939. (Tr. Vol. 23, p. 3741.)

ANN ALLEN

was called as a witness in behalf of the defendants and testified as follows:

I live in Chicago. Prior to my marriage I was employed in the Veterans' Administration of the Federal Government and during the last five or six years was Chief of Insurance in the Cleveland Branch Office. I have attended about ten of the Ballard classes. I have read the books of the Saint Germain Press. The laws and principles in them impressed me rather than the narrative events. I have never heard the Ballards nor anyone on the platform solicit money or anything of value, nor make any statement concerning the sale of books, other than to announce that they were available. I have never heard them urge anyone to buy books or any other commercial product. I have heard cataclysms mentioned, but never a definite date set. I have had a great deal more happiness since join-

(Testimony of Ann Allen.)

ing the activity, in having a definite plan of life and a definite goal to work to, and direct laws by which I can attain that. I feel that it is more definite and certain that it was before I participated in this activity. (Tr. Vol. 23, p. 3754.)

Cross Examination

I attended a class of Mr. Cassiere in Chicago. Boxes were placed near the entrance to the door for love gifts and if anyone chose to deposit love gifts, they were permitted to do so. Sometimes I deposited a love gift. Several hundred persons were present at classes I attended given by Mr. Stickell. The same thing was true concerning boxes for love gifts. He would describe the chart very much as in his testimony given at this trial and read the books part of the time. Mr. Cassiere would talk concerning the laws contained in the books and magazines. My answer is yes to your question whether I was interested in the part of the book where Saint Germain held out his hand and [624] a disc of gold about the size of a ten-dollar gold piece appeared. One of the laws in the book was the law of precipitation, both instantaneous and the type such as getting a pay check. I read the portion of the book referring to a group of people living in the Sahara Desert:

> "The more advanced of these people produced much gold by precipitation direct from the Universal. The domes of many buildings

(Testimony of Ann Allen.)

were covered with sheets of pure gold and the interiors decorated with brilliant jewels in curious yet marvelous designs. These jewels were also precipitated direct from the One Eternal Substance."

In the instance in the book where you read I understood the gold was precipitated direct from the universal and that it was a tangible type of gold. I have testified that I was interested in all that is in the books. I was interested in the sequence concerning the mysteries of the Yellowstone and Mr. Rayborn's ascension and in the incident where the party speaking to Mr. Rayborn said as he was rising up, "I let go of his hand." I was interested in the incident where a panther became as playful as a kitten and thereafter conquered a lion.

Redirect Examination

Sometimes I left love gifts; sometimes I did not. I was not treated any differently than on the occasions I did not leave gifts. I don't think any one ever knew whether I did or not. One of the laws of the activity is the conquering of fear. I understand the incident related about the panther as an example of the conquering of fear. (Tr. Vol. 23, p. 3767.)

Recross Examination

I thought that the panther was an animal and actually had had a fight with a lion. [625]

CURTIS IVES McCLENATHEN

was called as a witness in behalf of the Defendants and testified as follows:

I live in Akron, Ohio. I am a natureopathic physician and electrotherapist, licensed to practice in Ohio. A natureopathic physician is one who uses all natural methods of healing. They use the combination of physical and electrial modalities, modality meaning a method of treating, physical, mechanical, electrical and dietic. I have had experience in color therapy. My professional experience in it began in 1928 and I have been more or less active in the field ever since.

Before describing color therapy, I would like to lay a foundation as to the basic principles and physics of light. First of all, light is a universal substance. Light has definite properties. It has definite pressure. It has definite mathematical and scientific laws by which it acts and reacts, and light is the one universal substance whence everything originates. When light is qualified by a definite, mathematical law in the visible spectrum, we have what is known as color. Color is divided primarily into three primary colors. A prism when used to refract light divides it into its component wave lengths, producing the spectrum. Through such a prism we are able to see the invisible colors; such as the infra-red and the ultra-violet; the ultra-violet and the infra-red are not visible to the human eye, but through the refraction with glass, an ultra-violet ray of a definite wave length will almost ap-

(Testimony of Curtis Ives McClenathen.)

pear upon the same measurement point upon a prism or upon what is known as spectroscope which has the prism calibated. (Tr. Vol. 23, p. 3772.)

In 1928 and 1929 I became interested in research work relating to applying the source of light, such as a carbon light through a prism and taking off specific wave bands of light to establish a treating or therapeutic instrument for use in treating with color as worked out by Dr. Sprettles of Ohio University. [626] In other words, the preparation of a mechanical instrument which could be used in connection with this treatment by way of light. In addition, I did a great deal of research work in actual clinical cases. Color can be divided into the three primary colors, blue, yellow and red. Blue is known among doctors as the electrical properties of color, the electrical or the cold end of the spectrum. (Tr. Vol. 23, p. 3775.) Yellow is the luminous, and red is known as the thermal or heat. Therapeutically, blue is the main color that is used in color therapy in the clearing up of different infectious conditions, in the relief of pain. Blue is known to have definite germicidal effects and to be a hypnotic and a sedative. Blue could be used in treating a cut or infection. You would use it in that instance in the shorter wave lengths, in the ultra-violet, which has been demonstrated to be able to explode germ life. In therapeutic work, blue has been used in many different ways. The early use of blue was the use (and it still is used that way

(Testimony of Curtis Ives McClenathen.)

by some doctors) of sun light reflecting from the walls of blue rooms. At the present time, modern hospitals frequently have the operating room walls in blue for the very reason that the blue radiation keeps down germ life. In some instances, blue is used through glass with the sunlight coming through glass. It is possible to take a blue flask filled with water and to use that as a lens reflecting the sunlight through it upon the patient and procure a definite physiological effect. It is also possible to charge that water with the quality of blue and for the patient to take that water internally and receive a therapeutic effect from that. Now in some instances that is being done today with the mercury-quartz ultra-violet generator releasing the blue energy within the water. It charges the water with ozone and has a definite therapeutic effect upon the patient. Blue has been used in the treatment of mental cases, mental disease. The way it is done is by the application of blue [627] light through the eye or through any area of the skin of the body. It has a sedative effect upon the patient. It stabilizes the emotional body, and tends to make it more rational.

Red has qualities of a different nature. I have taken cases out of institutions and treated them in my own institution according to the principles which I have enunciated here with good luck. Infected sores of soldiers on the battle field have been treated with blue light, by the use of portable units built

(Testimony of Curtis Ives McClenathen.)

during the present war for use of the Canadian Government, in which battery power is furnished. Insanity can be treated by decorating the walls, but I have used the more powerful lights. I prefer the carbon are light, which is a powerful source of light energy. There are different types of carbons. The sunlight, as known to the layman, is usually called the sunshine carbon. It is furnished the layman in a harmless carbon composition. I use higher powered instruments in which we use therapeutic carbons. If I wish to use the power of blue in the treatment, I select a carbon with a blue core which has the right chemical composition that when the proper power of electrical energy is driven through it electrically, it releases a great quantity of blue in its spectral analysis and that blue in turn is passed through blue color filters of the wave length that I wish to use in the treatment of the particular case. (Tr. Vol. 23, p. 3782.)

I do not think that a phonograph record if it were blue would have a great deal more effect therapeutically than if it were red, for instance. It is possible that the effect would be psychological and, of course, the translucent record with the avenue of the eye of the one playing it, beholding that record, would have a very unmeasurable physiological effect, a very minute effect, that is.

One reason drugs are sold in drugstores in blue bottles is that they play a very important part in the preservation or [628] protection of their con-

(Testimony of Curtis Ives McClenathen.)

tents. It has been demonstrated that if you take an amber bottle and place water in it, leave it in the sunlight, in three or four days it becomes rancid. It is possible to take a blue bottle and place water in it and leave it in sunlight and that will not become rancid from one year to the next. The bottling of such substances as Vicks nose drops, bichloride of mercury and substances of that sort that have germicidal action, protects the substance charging the quality of blue energy into that content and therefore maintaining the quality of the germicidal agent.

Different colors have an effect upon the growth of plants and animals. Blue has been found to be most favorable to the growth of living organisms.

Cross Examination

I am an I Am student and have been one for two years. Thermal means heat, or heat producing. Many therapies are heat therapies. Under certain conditions, it may be healing. Red is a thermal color. Red is the irritating color. It causes irritation, even like a mustard plaster irritates; the color red has the same effect therapeutically applied. Red is healing in a sense that it stimulates a reaction. It is not in itself healing.

I did say that it is untrue that most bacteria in the world are beneficial. I meant that it is true there are bacteria in the soil that thrive upon the plant and have a part in its decomposition, which

(Testimony of Curtis Ives McClenathen.)

through decomposition fertilizes the soil. Parasites are the type of bacteria that live upon man, animals and plants. I am acquainted with the fact that bacteria cause milk to turn to cheese, that they spoil the milk, condensing it into cheese, and realize that cheese is the result of bacteria action. However, I do not feel that bacteria fermentation has a place in human economy. It is true that a great majority of the American public and almost the world over eat cheese, but anyone who eats cheese has bad breath. It is true that bacteria takes part in the making of [629] yeast, but I feel that bacteria that make yeast are also non-essential to human life; in fact, in the old Mosaic law they were forbidden to use yeast. I would say that the bacteria known as yeast are non-essential to mankind. I do not agree with the phrase that bread is the staff of life. I know that vinegar is made from bacteria action and is used by a great many people, which is unfortunate. I know that wine is the result of bacteria action. I have read from Webster's New International Dictionary, Second Edition, Volume 1, page 202, the authority which you are now showing me, as follows:

> "Being destitute of chlorophyll, most bacteria are parasitic or saprophytic and depend upon living or dead organic food materials; but many are autotrophic, deriving energy by the oxidation of simple elements, as nitrogen and sulphur, or of various inorganic compounds.

(Testimony of Curtis Ives McClenathen.)

In the economy of life they are of the highest importance."

I agree with the statement that most bacteria are harmless, because they don't invade the human body. It is true that yeast is not pathogenic bacteria, that is to say, it is not disease producing, but it is toxic producing, and yeast is a living plant cell. I know that it takes over 200 centigrades to kill certain bacteria, that many are not even killed by boiling. I agree with the statement from Webster's New International Dictionary to the effect that "in the economy of life they (referring to bacteria) are of the highest importance. Many species convert dead organic matter into soluble food materials for plants." However, that doesn't say with rspect to human life; it is the cycle of plant life.

I wouldn't say that if tap water were put in a blue bottle the bacteria would not grow at all, but the activity would be curbed if the bottle were placed in the sun. The blue bottle would not kill the bacteria culture, but would greatly lessen the activity. Amber bottles are used for substances which will be deteriorated [630] by light. The person treated by me with good results mentioned above was Ruth Bauman. She had a nervous breakdown and was in an insane asylum. I took her out of the insane asylum to give her the treatments. I know that some people do go through periods of mental derangement and are restored to normalcy by keeping them occupied. The blue rays which

(Testimony of Curtis Ives McClenathen.)

would treat a cut as testified to on direct examination would be the ultra-violet generated from equipment. The treatment with light rays which I have spoken of refers to treatment by rays generated by equipment. Blue is hypnotic. It is used by psychiatrists in their examination of patients for its hypnotic effect. They play a blue light upon the patient's face while making the psychoanalysis. (Tr. Vol. 23, p. 3819.) In my mode of treating a patient if a person had a disease, I would not put them in a blue room and expect them to be healed, for it is true that according to my theory of treatment the light rays must be either coming from the sun or from some generative force, that is from the various thermal rays, and those rays that are generated by equipment that utilizes them. I still treat people with those rays rather than treat them with the I Am activity when they come to me for medical treatment, that is I use the orthodox methods.

The color blue is germicidal and a sedative. Being germicidal, it has a tendency to kill germs if the light of certain specific waive lengths are used. There are other shades of blue that have a tendency to increase light activity of the body which is the normal defense against bacterial activity.

The Doctor was shown a white and a blue sheet of paper, and stated that the authorities say germs would be more likely to survive on the white than on the blue.

(Testimony of Curtis Ives McClenathen.)

Redirect Examination

You can see the relaxation take place, the physiological changes in the patient. There will be a temporary immediate improvement. It would generally be mild. The application is [631] cumulative and by all methods of treating, the patient is given a repetition of treatment over a period of time until the desired results are accomplished.

With reference to the blue record, in my statement that the effect would be minute, I mean slight. If repeated over a period of time, it would naturally have a cumulative effect. Even looking upon a given color is a slight stimulus to the eye. In the laws of biology and physiology there is a law known as the Pfleuger Twitch Law which states that the effect of a stimuli is exactly reverse to the strength of the stimulus. An illustration would be the tickle of a feather. It produces a sudden reflex action, where a strong stimuli would have little effect.

Recross Examination

Reading "The Voice", July 1940 issue, at page 39, "This blue transparent material carries a special healing quality," I positively agree with that statement. That statement says that this blue transparent material carries a special healing quality. I know that this special blue translucent material has a much finer, smoother surface than previous black records, and therefore eliminates surface noise, irritating scratches, eliminates static which

(Testimony of Curtis Ives McClenathen:)

would be detrimental to the patient. Now, further than that, I do know that these records do produce a healing quality, because I have played these records when patients were in serious condition and under emotional strain and observed their emotional body quiet, and the patient was much more peaceful and did rest.

Now, part of that, it does not state there that the healing quality is due to the fact that it is blue, but it is very beneficial to have harmony of color, and to the person who sees this record, there is harmony of color. I do not know of any recognized hospital sanctioned by the American Medical Association which follows the mode of treatment of playing blue records to cure people who are hospitalized. I would answer further that I don't know of any person produc- [631A] ing blue records other than these. I have never seen a blue record until these were recently produced. It is true that the sky, the ocean and the most predominant colors in the world are blue and that germs are in their presence every day and survive.

Further, there is a basic law of sound in relation to physiology which states that if the rhythm or tempo of the music is slower than the pulse rate, that it is soothing and does quiet the sympathetic nervous system. If the tempo is faster, it does excite and arouse to action; and if the tempo is the same, that stabilizes the pulse rate.

(Testimony of Curtis Ives McClenathen.)

Redirect Examination

If a black record could be produced with as smooth a surface as a blue one, that is with identical material, the quality of the music would be the same from the standpoint of music.

Red is only used in treatments for the purpose of momentary excitement, just as you would use spirits of ammonia to suddenly react a patient. In answering concerning the record, I stated unless the person playing the record visually saw the reflection of the blue qualified light, that the effect of playing the blue record would not be any different other than playing a black record, except that the blue record is smoother. (Tr. Vol. 23, p, 3828.)

NORMAN H. MORRISON

was called as a witness in behalf of the Defendants and testified as follows:

I reside in Phoenix, Arizona, and I am a dentist. I have a D.D.S. from the dental department of the University of Omaha. I am a follower of the activity, having contacted it in [631B] the summer of 1938 through a patient. Thereafter, I read the books. I got them from the library. I attended classes in 1938, 1939 and 1940, and this last class. I have attended every class Mr. Cassiere and Mr. Stickell held in Phoenix. There were three or four. I am a group leader and have been for approximately a

(Testimony of Norman H. Morrison.)

year and a half. I have rendered absolutely no financial reports to the Ballards or to anyone else, nor have I been asked to. The group as a unit has never sent any love gifts to the Ballards. I have never heard the Ballards or anyone on the platform solicit money or anything of value from anyone, or make any statement concerning the sale of books other than to announce that they were for sale, or urge anyone to purchase books, jewelry, charts, phonograph records, radio transcriptions, songs or any other commercial product. As a result of my participation in this activity I have been benefited in that I feel that doubt and fear have been eliminated from my life. I feel that I know what life is about; I feel I know what I am put on this earth for, and if I follow the law they have given me, I will know what the outcome of this life will be. Before I contacted this activity, there were many uncertainties in my mind.

Cross Examination

I do not have any doubts or fear now about anything.

CHARLES SINDELAR

was called as a witness in behalf of the defendants and testified as follows:

I am a follower of the I Am movement. I live at 2600 South Hoover and have been here for 18

(Testimony of Charles Sindelar.)

or 19 years. I am 58. Prior to coming to Los Angeles, I lived in New York City. I am an artist. First I was in designing, then I went to portraits and landscapes and etchings. I am proprietor of the Sindelar Studios. My wife is also a follower of the activity. We have been since 1935. The publication, "The Voice", is put out by the Sindelar Studios and has been since its inception in 1936. [632] The editorial material and the discourses and matter of that character are furnished to me by Mrs. Ballard. Prior to Mr. Ballard's passing, both he and Mrs. Ballard supplied all the material, other than a page or so of advertising of my own. Mrs. Ballard has no proprietory interest in the Sindelar Studios, as such. Whatever profits or losses there are are mine. I do all the art work on the covers. All the subscriptions come direct to me, except some come from the Saint Germain Press, but very few. The Sindelar Studios are acting as the agency here in Los Angeles for the Saint Germain Press. I have no proprietory interest in the Saint Germain Press or Foundation. We distribute "The Voice" magazine through other mediums, such as stores. Quite a number of orders come in for the magazine from different stores, from classes and sometimes from the big department stores. I allow stores a discount of 20%. That is the same as is extended to student groups. We also sell jewelry, pictures, and Christmas and Easter cards at our place of business. We sell all of what has been called parapher-

(Testimony of Charles Sindelar.)

nalia of the I Am movement, but we also sell many other things. I carry the same things as other gift shops carry.

Mrs. Sindelar conducts group meetings. The statements from Government's Exhibit 97 concerning my portrait work for Percy Rockefeller, David Lloyd George, Roosevelt, Taft, and Harding, and concerning the creating of 1600 drawings and many posters used during the Liberty Loan Drive are all true. The last portion has been a little misconstrued, because I didn't make the posters. I made all the flags and secret codes. I did make several posters, but they were not all posters.

I have practiced my profession as an artist ever since I was a small child or young man. The pictures that you have shown me were drawn by me, some while I was 13, including one described as a South American Cruise of the Hamburg Line. Others [633] were done later in life. Thereupon the pictures, 23 in number, were received in evidence and marked Defendants' Exhibit YY. Mr. Percy Rockefeller posed for the picture of himself that is in the exhibit, and David Lloyd George of England also sat for me. The drawing of Caruso is from a photograph, but Pershing, Sloan, Hilton, Dodge, Rockefeller, Ex-President Taft and Hughes and Jimmy Walker, and so many others that I would have to sit down and think, have posed for me.

The vision which came to me at the time I drew

(Testimony of Charles Sindelar.)

the Christ Head mentioned in Government's Exhibit 97 came to me in 1929 in Los Angeles around September. I was awakened at 2:00 o'clock in the morning and I felt a presence in my room, and there stood this vision at the foot of my bed. I awakened my wife and asked her if she saw it. She couldn't see anything in the room. That appeared to me 21 successive times until I was just about going crazy over this thing. I thought my time had come. This appeared every night at 2:00 o'clock, this vision, and the next morning when we spoke about it, she asked me how he looked. I said he didn't look like any idea I had of Christ because I always thought he had dark hair, and this vision had light hair. She said, "How do you know that was Christ?" (Vol. 23, p. 3872.)

I commenced drawing the picture about three weeks after the first manifestation. I had never before painted or drawn religious subjects, or a supernatural figure. After I had started it, I smeared the mouth one day and I couldn't get it in place again and that night the vision came again and I finished the drawing that night. It is correct as stated in Government's Exhibit 97 that the picture of Christ which I have drawn has been approved by the clergy of other denominations.

It was thereupon stipulated that the picture of Christ has been approved by very many denominations.

(Testimony of Charles Sindelar.)

The picture was exhibited and sold by me for at least [634] three years before I ever met the Ballards. I sold them to other churches at the same price at which I sold them to the Ballards. They were sold by those churches to the public at the same price the Ballards sold them for.

Thereupon Defendants' Exhibit ZZ was received in evidence.

The Witness: That exhibit is a reproduction of the original picture which you have shown to me heretofore. It is a picture of Jesus and is the one which is reproduced in the book, "Ascended Master Light". Before I ever came in contact with the Ballards, a copy of that picture hung in The Vatican in Rome.

Later, I made a sketch or drawing of Saint Germain. I was asked to make it by Mr. and Mrs. Ballard. I tried to make one in Los Angeles, but I didn't succeed, so I went to San Francisco and I showed what I had there to Mr. Ballard and he said, "That isn't Saint Germain at all. You are going way off." At San Francisco, Mr. and Mrs. Ballard, Mrs. Sindelar and myself sat down. We all called on the Mighty I Am to give me some idea of what Saint Germain looked like, and I got a mental impression. It was a mental suggestion that I received and I went to work on that and every time we needed more information, we would sit down again and I would get that mental impression again which would last with me while I

(Testimony of Charles Sindelar.)

was working until Mr. Ballard said that was Saint Germain. The difference between the two is that one was before me, it wasn't a mental picture. The picture of Saint Germain was a mental picture. Christ would appear before me, a living thing. Saint Germain, I would see mentally, like you would remember a think you had seen before. From the mental picture, I contrived and drew the black and white picture of Saint Germain, a copy of which is Defendants' Exhibit AAA (thereupon admitted in evidence). The Sanscrit and the scrolls back of the picture of Saint Germain and the spreading wings and maltese cross were not above the mental picture as I saw it. What I saw is represented in the [635] black and white without the scroll and without the hieroglyphics. I put the scrolls and hieroglyphics on after the head was finished. I was around five days drawing the black and white. Mr. Ballard told me to put those on. Mrs. Ballard was there. (Tr. Vol. 23, p. 3887.) I got the figures from one of the books, "Unveiled Mysteries", similar to Government's Exhibit 89. Neither Mr. nor Mrs. Ballard gave me an explanation as to why they should be on. They told me to put them on and I did so. I never saw Government's Exhibit 201 prior to the drawing of Saint Germain which has been exhibited to the jury. I had previously seen "Unveiled Mysteries" with the picture of Saint Germain. When the Ballards came to Los Angeles, Mr. Ballard didn't like

(Testimony of Charles Sindelar.)

that picture and he wanted a better picture of Saint Germain. That is how I came to do it. I did not copy the picture out of "Unveiled Mysteries" in making the one I prepared. It would be a very poor copy if I had. Defendants' Exhibit AAA is one that I have done from the original and thereafter copied.

Cross Examination

I did not have Government's Exhibit 97 printed myself. It is not true that I merely trimmed up the picture which has been previously printed and copyrighted by the Saint Germain Press in preparing my picture of Saint Germain.

I was not present with the Ballards in the Royal Teton on that New Year's eve when Jesus was present with Saint Germain and the Tall Master from Venus, nor was I ever present with either Mr. or Mrs. Ballard or Donald when Saint Germain has been present in his tangible body. At the time I painted the picture of Saint Germain, that is when I got that mental impression which is what I painted, at that time I had seen a picture of the Ballards' Saint Germain, which is the same as the picture set forth in the book "Unveiled Mysteries", Government's Exhibit 3. The figures on the picture of Saint Germain that Mr. Ballard told me to put on [636] the picture of Saint Germain that I painted, I copied from that book, that is, the picture wasn't given to me to copy but the hieroglyphics were. I copied these from that book,

(Testimony of Charles Sindelar.)

which book was published in 1934, and I copied them on the picture I painted in 1935 which was about a month or two after I had become a member of the Ballard organization.

I have done commercial art work and I painted the trademark used by Quaker Oats Company and the Rock of Gibralter used by the Prudential Life Insurance Company. The Saint Germain Press sold the $2 size picture of Saint Germain, but it never sold the large ones nor have I ever sold them to the Ballards. It is only for students who wish it. Saint Germain Press sold the $2 size and I gave them a 50% discount.

Redirect Examination

When I talked to Mr. Ballard in the first instance about the purchase of pictures of the Christ Head from me, I told him [636A] of my previous experience in connection with etchings and painting and of my experience in the painting of the original Christ Head and of its being submitted to high ranking church officials in Los Angeles.

CHARLES SINDELAR

was recalled as a witness in behalf of the Defendants and testified as follows:

Direct Examination

It was stipulated that before Mr. Ballard contacted Mr. Sindelar that Mr. Sindelar had publicly

(Testimony of Charles Sindelar.)

stated the circumstances concerning the manifestations given to him which led to the painting of the modern Christ Head. That the modern Christ Head, the painted vision of the witness, was copyrighted in December of 1930, and the picture of Saint Germain, drawn by the witness, was copyrighted on July 2, 1935.

The Witness: I received the originals of two letters dated August 25, 1931 and November 10, 1931, on or about the date they bear. As to the one dated August 25, 1931, Mr. Ballard saw this hanging on my wall. This was after 1935, as I didn't have them hanging on my wall prior to that time. As to the letter dated November 10, 1931, Mr. Ballard couldn't have seen that as I have just located that—it was lost.

(The letter of November 10, 1931 was marked Defendants' Exhibit BBB for identification. The other letter, dated August 25, 1931, was marked Defendants' Exhibit CCC for identification.)

Exception No. 81

Said letters and and each of them were offered in evidence. An objection was made on the ground that they were immaterial, said objection being sustained and exception allowed.

As I stated the other day I owned and published "The Voice" magazine. It was started in 1936. In 1935 I discussed with Mr. Ballard the publica-

(Testimony of Charles Sindelar.)

tion of "The Voice". The idea came to me between September and October. It was not a conversation. [637] He was back East and I sent him some illustrations of the magazine that I had made. I had gotten the name of it. In this letter I told him that I appreciated things that were done for my family and that I would like to publish a magazine for them if it was to their liking. I heard from them when they came back five months later and I started the magazine. This letter was a hand written letter that I wrote to Mr. Ballard and I didn't keep a copy of it. In this letter I thanked Mr. Ballard for healing Mrs. Sindelar. Mrs. Sindelar was a cripple for three years. He knew this because he taught her how to be healed. When they came to our place, after three years, she was out of pain and I thanked him for Mrs. Ballard teaching her to walk. And I told him in the letter that anything I could do for him was not too much; that they were tireless in their efforts and I wanted to thank him again. In January of 1936 at my studio I had a conversation with the Ballards about "The Voice". Mrs. Sindelar was present. They merely asked if I was ready to go ahead with the magazine and I said yes. Thereafter I laid out the magazine and it was published in February. I have never furnished a circulation list of "The Voice" magazine to the Ballards. I have never rendered to them a financial report on the publication nor have I done so to the Saint Germain Press

(Testimony of Charles Sindelar.)

or the Saint Germain Foundation. (Tr. Vol. 24, p. 3992.)

Cross Examination

I have made some substantial love gifts to the Saint Germain Foundation and to the work. Up until this year I made love gifts every year. In 1935, I think I gave $200. In 1936 $1000; in 1937 around $800; in 1938 around $600 or $700; in 1939 around $400; in 1940, well, I don't remember, I think altogether since starting the magazine it was around $3000. I also ran ads submitted by the Ballards without charge. I had nothing to do with the painting of the Daddy Ballard picture. [638]

Redirect Examination

The reason I made these love gifts is because I believe in the work. I have never been asked for a cent by the Ballards.

Juror Everts asked whether the witness meant that Mr. Ballard had healed Mrs. Sindelar, to which the witness replied, "No. He taught her how to use the work. That was the first time in three years that she was out of pain. You see, she wasn't able to walk."

Juror Darsie asked the witness if the copyright of the Saint Germain picture had the sanskrit on it, to which the witness replied yes.

THERESA de CARRANZA

was called as a witness in behalf of the defendants and testified as follows:

I speak English badly. Sometimes I understand it and sometimes not. I am the mother of Isabel Shinn, the lady who testified heretofore.

(A photograph was marked as Defendants' Exhibit DDD for identification.)

A theosophic physician told me that he saw this picture in a book, a book of the I Am. He told me I could sue them if I wanted to, but I said no, that they could have it, I was very glad of it. The first time that I saw this picture was when I had a mental picture of it and painted it from my imagination. I got the characters from the Priest Egyptian, the sentence is Latin. It means "To the rose by the cross and to the cross by the rose." It is the motto of the Rosicrucian and the sign on the top shows a rosicrucian.

(Government's Exhibit 202 is a copy of that picture.)

On Government's Exhibit 202 it is written in Latin here, "Ad rosam per crucem. Ad crucem per rosam." It means "To the rose by the cross and to the cross by the rose." I know this phrase as rosicrucian. I had the idea to write it there. It [639] was pretty to put those things around and that thing on top. I don't speak Latin but I can copy that sentence. I copied the letters from the Larouse in Belgium, a thick book, the Encyclopedia

(Testimony of Theresa de Carranza.)

Larouse, and I saw those letters and they were pretty and I put them in my picture. This must have been in 1915 in Belgium. The picture was not in this French encyclopedia. I imagined the picture. I don't know who the man is. I don't call him anything; I don't call him the Count of Saint Germain. The letters (the characters) are Egyptian but the sentence is in Latin.

The photograph was marked Exhibit DDD and received in evidence.

The Witness: I have not read the testimony that my daughter gave the other day but she talked to me about it. I brought this picture with me to America in my stateroom and on the train. This was in 1916. I have a copy of my diplomatic passport. I got this passport in Amsterdam as they have no Consul in Brussels. I brought about six pictures with me. For the past thirteen years I have been living with my daughter at 6051 Third Avenue. The photograph, Government's Exhibit 201, was taken in Crotona. It is the center of the Theosophical Society. They have now gone to San Fernando Valley. This Society showed the picture in 1916 to 50 persons, and there are many living who can testify to that. Never before 1915 had I seen a picture like this (Government's Exhibit 201).

Government's Exhibit 202, a photograph, was taken in Crotona in 1917. They came to my house and took it and they took it to a photographer who

(Testimony of Theresa de Carranza.)

was a theosophist, and then I went to Montclair in New Jersey. I don't remember the name of the photographer. The original picture was painted out of my imagination in Belgium in 1915 (Government's Exhibit 201). [640]

Cross Examination

I was born in Venezuela in Caraca. I was in Paris and am an Argentinan. I am 77 years old. When I painted this picture nobody posed for me, nor did I have any other picture in front of me when I painted Government's Exhibit 201. I took maybe one year to paint it. The scroll at the very top of the picture must be Rosicrucian. I painted the scroll on in Belgium at the time I painted the head (all referring to Government's Exhibit 201). I never signed my name to the picture.

Redirect Examination

I was a Rosicrucian for a while. When I first went to Belgium I became a member of the Theosophical Rosicrucian Society. That was before the war, before 1914. I never saw the scroll in the Rosicrucian Society in Belgium, that is, the scroll at the top of Government's Exhibit 201, but it is a Rosicrucian scroll or an Egyptian because the wings are Egyptian in the center. The cross in the center is Rosicrucian. I don't know when I first saw a Rosicrucian cross. I never saw it. When I painted it there was nothing before me. When I saw the

(Testimony of Theresa de Carranza.)

picture in my imagination I didn't see the scroll. Maybe I invented it, I don't know (Tr. Vol. 24, p. 4016.)

CORA B. SHEFFIELD

was called as a witness in behalf of the defendants and testified as follows:

I live at South Pasadena. I have been a Theosophical student. I first saw a copy of Defendants' Exhibit DDD in the spring of 1899 at Topeka, Kansas, 307 Van Buren. I joined the Theosophical Society in the spring of 1899. It was the Annie Besant Branch. I met her, Annie Besant, at this house where she was entertained, where I saw the picture. This Theosophical Society was not an esoteric group. Later I became connected with an esoteric section in Los Angeles. This was in 1904. I saw this picture, Exhibit DDD, at that time once a week when I [641] attended the meetings. In 1899 when I had the meetings with the Annie Besant group there were only four in the group. I was the youngest. These lessons continued only for a few weeks during her visit there. She showed me a copy of this picture, Exhibit DDD, at this meeting. In 1921 I became warden of the esoteric section of the Theosophical Society in Pasadena. At that time, as warden, I had in my possession one of these pictures, a copy of Defendants' Exhibit DDD. I think it was the same picture that was repro-

(Testimony of Cora B. Sheffield.)

duced here. It had the same general letters on it although I don't read *transcript*. The one Annie Besant showed me in 1899 had practically the same thing on it. In 1899 when I met Annie Besant I was in my first year of high school. I am not an I Am student.

Cross Examination

By Mr. Neukom:

Q. Mrs. Sheffield, how old are you now?

A. I refuse to answer that. It wasn't necessary. I was in high school and I must have been in my teens, which I was. I think that is sufficient.

Mr. Neukom: I respectfully urge, your Honor, that the witnesss be advised of the necessity to answer the question.

The Court: Yes. In view of the importance of this case, I am sorry, but it will be necessary.

The Witness: I was in my teens.

The Court: You were what?

The Witness: I was in my teens. I was 14.

I was born on a section of land in Revillo, South Dakota, in 1885, on August 28. Annie Besant was a prominent writer on philosophy. She is now dead. She at that time called herself Bes'ant. When I fist saw this picture at Topeka, Kansas, in 1899. Annie Besant had another picture called "The Master Morya". These pictures were in small frames and had hinges and when the [642] hinges were closed the pictures were concealed.

(Testimony of Cora B. Sheffield.)

Thursday or Friday was the first time that I advised anybody in connection with the defense of this case that I had seen this picture in the possession of Annie Besant. I have been in Los Angeles since 1902. Mr. Cannon first contacted me. I may have read about this case a year ago but I believe not. I was at my home at 19 Montrose in South Pasadena. A friend, Alice Roberts, asked me to come to the office. Alice Roberts lives at 981 Summit Street, Pasadena. We both had seen this picture as we were both in the E. S. group. In 1904 it was in Blanchard Hall in Los Angeles that I saw a copy of Exhibit DDD. Government's Exhibit 201 looks to me like a replica of the picture that I saw in the [642A] possession of Annie Besant. I would say so without any equivocation. I haven't seen this picture published in any of the works of Annie Besant. I saw pictures of other Masters in her work. She told me that it was one of the Masters. I think it was Saint Germain. We had five Masters altogether and I am sure this was Saint Germain. I remember that Kuthumi was one of the other Masters, also Morya, also Jesus, but I don't remember the fifth. Annie Besant had books on this theosophical study. I didn't look at all of them but none that I saw had this picture Saint Germain in it, nor did they have the pictures of the other four Masters. The books were little manuals from which we studied, but no pictures. Some of the books that Annie Besant published

(Testimony of Cora B. Sheffield.)

at that time were "Thought and Power", "Immediate Future", "A Man on Karma", and one on reincarnation. Her outstanding book is "The Ancient Wisdom". I have not had "The Ancient Wisdom" in my possession for several years and I cannot say whether this picture, Exhibit DDD, is on the book or not. Annie Besant taught about Saint Germain. He was Count Saint Germain, also known as Prince Rogeozy. She didn't say that he was a gentleman born in France but she said that he was quite equal to Kuthumi, Morya and Jesus. When I was appointed warden in 1921, Mrs. A. P. Warrington gave me the picture of Saint Germain: I kept it in my possession until I was no longer warden. I was warden for three years. I don't know who has the picture now. It was larger in size than Exhibit DDD, even larger in size than Government's Exhibit 101 (201). It appeared more like Government's Exhibit 101 (201). The one I saw in Topeka, Kansas, was more distinct than Exhibit DDD. It was as distinct as Government's Exhibit 202. I am very positive of that. However. I couldn't say that the sanskrit on Annie Besant's picture was or was not as distinct as in Government's Exhibit 202. The picture Annie Besant showed me was not a colored picture. [643]

ROSALINE A. HUGHES

was called as a witness in behalf of the Defendants and testified as follows:

I live in Los Angeles. I was a member of the E. S. group. That is the esoteric section of the Theosophical Society in El Paso, Texas. I saw, while a member of this Society, in El Paso, Texas, in 1917, in the spring, a picture, of which Government's Exhibit DDD is a replica.

Cross Examination

I am sure it was in the spring of 1917 that I saw this replica, not before the spring of 1917.

ALICE F. ROBERTS

was called as a witness in behalf of the Defendants and testified as follows:

I am 74 years old and live in Pasadena. I have seen a replica of Defendants' Exhibit DDD many times. It was exhibited each week at our meetings of the Esoteric Section of the Theosophical Society of which I was a member. I saw it in Pasadena, in Los Angeles at the Blanchard Hall group, and at Crotona. I first saw it back in 1916 in Pasadena. The last I saw it was about ten years ago.

Cross Examination

I first joined the esoteric group in September 1914. We had to be a member two years before

(Testimony of Alice F. Roberts.)

entering the esoteric group and I didn't see the picture until two years later in 1916. It was in January of 1916 that I first saw it. Thereafter I saw it every week. The Masters' pictures were exhibited only in our group meetings; they were sacred and not given to the public. I go to motion pictures but I don't recall when I first saw a picture of Harold Lloyd. I don't recall when I first saw the picture of David Wark Griffith, "The Clansmen." I recall "The Birth of a Nation." I think I saw it in 1916 or 1917.

Crotona is a theosophical group. While I was going to Crotona I don't recall the particular picture, Government's [644] Exhibit 201, exhibited, but I have seen Defendants' Exhibit DDD. I saw Government's Exhibit 202 in 1916. My eyesight is rather poor and it is rather difficult for me to see the figures distinctly, but I know there were figures on the picture. The figures were about 16 inches by 10 inches. I have absolutely no doubt that I saw Government's Exhibit 202 in 1916, or a copy of it, such as Defendants' Exhibit DDD.

Redirect Examination

When I went to see "The Birth of a Nation" or a Harold Lloyd picture, I didn't go every week.

Recross Examination

I was asked to come here today by a friend who belonged both to the theosophical group and also was an I Am student.

DONALD BALLARD

was called as a witness in behalf of the Defendants and testified as follows:

I am 23, the son of Guy W. Ballard and Edna W. Ballard. The conversation that Mrs. Terry testified to, to the effect that my mother and father told Mrs. Terry, Marjorie (my former wife) and myself that Saint Germain had commanded that Marjorie and myself be married didn't take place, in substance or effect, at the time testified to, or at any other time.

The episode that Mrs. Terry testified to, to the effect that at a meeting I wished to jump to my feet and shout to the audience that the work was a fake, didn't take place at the time testified to or at any other time, in substance or effect.

The testimony of Mrs. Terry to the effect that later in the same evening when she testified I wished to jump to my feet and shout to the audience about the work being a fake, in which Mrs. Terry stated that I should have been permitted to have made such a statement to the audience, and that I was tired of taking a back seat to Mr. and Mrs. Rogers, didn't take place at the time testified to or at any other time in substance or effect. [645]

The statement of Mrs. Rogers to the effect that at a staff meeting in Oakland in 1938 I desired, during a discourse by Saint Germain, to defend myself of charges that were alleged to have been made against me by Saint Germain and that Saint Germain,

(Testimony of Donald Ballard.)

through myself or through my father, told me to shut up, didn't take place at the time testified to or at any other time in substance or effect.

The testimony of Mrs. Terry to the effect that I stated to her in the presence of Marjorie that neither I nor my mother had ever seen an ascended master, didn't take place at the time testified to or at any other time, in substance or effect.

I didn't have a conversation with Alise Buckingham Pinkerton or her sister Audrey, in which I stated in effect, how much longer are these people going to swallow that stuff. It never took place at the time testified to or at any other time in substance or effect.

I didn't have a conversation in Oakland, California, in 1938 with my wife, Marjorie, and Catherine Rogers, wherein I stated in substance or effect, "I am all for you Catherine, I know how you feel because my mother is the meanest woman on earth." It didn't take place at the time testified to or at any other time.

Neither in substance nor effect at the time stated by Mr. Crouse or at any other time, did I tell Mr. Crouse that I didn't have to take anything from my mother because I knew that on the occasion she referred to, to the effect that Jesus had put his arms around her, that in fact, Mr. Ballard, my father, had put his arms around her, nor did I in substance or effect state at the time testified to by Mr. Crouse

(Testimony of Donald Ballard.)

or at any other time that I had confronted my mother with such a statement and that she had been unable to answer it. [646]

I didn't tell Pat Crouse at any time in the presence of anyone or alone that my mother had never seen Jesus or an ascended master.

I didn't have, either in substance or effect at the time testified to by Mr. Wilbur Curtis Smith, or at any other time a conversation with him to the effect that I was going to a show instead of staying for class because I got enough of that bunk without staying to the show or meeting.

I love and respect profoundly both my mother and father and have always, from my earliest memory, had love and respect for them.

Cross Examination

Mr. Neukom: Has your love for your mother been assisted in any wise with the fact that in five months' time she gave you $11,000?

A. I have loved my mother over a period of many years in which she was only able to give me very moderate sums of money or upkeep, and money has nothing to do with the love I bear for my mother. Since 1935 I have been well taken care of.

Exception No. 82

Over the objection of the defendants that it was not proper cross examination, not having been within the scope of the direct examination, the wit-

(Testimony of Donald Ballard.)

ness testified that prior to the indictment one automobile had been bought for himself and one jointly for his ex-wife and himself, and that at one time or another he had had the use of various cars owned by Saint Germain Foundation for his temporary use. Exception was allowed.

Ever since 1935 my sole means of support has been derived from the I Am activity. The tuition of the flying school in Glendale, California, in which I was placed, was paid by this activity. All my traveling expenses and those of my former wife were paid by Mr. and Mrs. G. W. Ballard, whether exclusively from this activity or not, I cannot say. I knew Pat Crouse. He was with my father during my father's lifetime. I talked to him on many occasions. I knew Catherine Rogers, who was a singer [647] and traveled with the staff, and I talked with her on many occasions. I knew Mrs. Pinkerton, the mother of Eloise Pinkerton, who was a group leader. I had met her possibly three or four times. As far as I know, I had not met her daughter Eloise until the trial preceding this one. I had met Wilbur Smith in Florida. I knew Mrs. Terry long before I married her daughter Marjorie. (Tr. Vol. 24, p. 4069).

BEN E. ENSOR

was called as a witness in behalf of the Defendants and testified as follows:

I have lived in San Diego since 1935. Since 1935 I have been a follower of the I Am. My wife is also a follower of the activity. I have attended many of the classes, some of Mr. Stickell's and some of Mr. Cassiere's. I have heard Mr. Stickell in describing the chart make references to the Scriptures. I heard Mr. Stickell refer to the last three phrases of the first Chapter of Ezekial. I heard him quote from Paul, "Call unto me and I will answer you." I heard Mr. Stickell say, "Decree a thing and it shall be done unto you," "Call unto me and I will open the windows of heaven and pour out gifts that you know not of," "Call unto me, God the Mighty I Am Presence, and I will answer you."

I am in the automobile business. I have serviced Mr. Stickell's automobiles. The first car that I serviced for Mr. Stickell was a 1936 car and it had been driven 82,000 miles. I took that car in trade in late 1939 or early 1940 and sold him a new 1940 Buick. I attended the Shrine classes in Los Angeles in 1936, all that I could attend. I didn't hear Mrs. Ballard state at these classes that the Bible was a filthy book. Since 1937 I have been a group leader. I feel that by my participation in this activity, by calling to the Mighty I Am Presence and the ascended masters, better health and a better home life have been brought to me and that I have been helped in my business. I [648] first contacted

(Testimony of Ben E. Ensor.)

the activity by reason of a friend of mine who wrote to me about it. (Tr. Vol. 24, p. 4081.)

Cross Examination

I purchased the books of the Saint Germain series. I think my wife also has a set. There may even be another set around the house. I have a decree book that I use at my group meetings which I give in unison with the students. There must be 400 decrees in my book. I purchased them through the Saint Germain Press.

AMANDA ELLEN McDANIEL

was called as a witness in behalf of the Defendants and testified as follows:

I live in Los Angeles. I have lived there since the middle of November 1941. Prior to that time I lived at Dallas, Texas, where I lived in 1930. Prior to that time I was a school teacher in Oklahoma. I have a life certificate and a bachelor's degree from Oklahoma, a master's degree from A. & M. where I taught a year, and I did a semester in the University of Oklahoma at the time I was a grand matron of the Eastern Star. Since going to Texas I have been a social worker. I was also a student at the University of Washington in St. Louis, Missouri. I was also a summer school student at the University of California at Los Angeles. I am not acquainted with Mrs. Ballard personally. I have

(Testimony of Amanda Ellen McDaniel.)

heard her from a lecture platform in Dallas, Chicago, Washington, D. C. and Los Angeles. I am an I Am student. I own books of the Saint Germain series. At the present time I am in the office of the I Am school at 6367 Wilshire Boulevard, having offered to give what services I could to the I Am school here. I have not heard anyone from the platform make any requests or demands or pleas for money or other things of value but to the contrary it has been announced from the platform that students need not purchase the books or magazines unless they especially wanted to, that they were available. I have heard the statement [649] made that there were no money schemes nor political schemes in the activity. I was a group leader in Dallas, Texas. My contact with the activity has made me a broader-minded individual, a better citizen, a much more self-controlled person, and has given me a greater understanding of life and the life energy of not only myself but others.

Cross Examination

I was an American citizen when I came into the activity, a history and government major. I considered myself a broadminded person. I believe in the black magicians discussed in the activity. I am sure there is no reason to doubt the formula related in the discourses given in "The Voice" magazine, the July 1938 issue, relating how to slay a black magician. (Mr. Lazarus read from Exhibit 39, at

(Testimony of Amanda Ellen McDaniel.)

page 12.) That discourse made me more intelligent so far as the activity of light energy is concerned. I have been in the I Am activity since the summer of 1936. Since my association I have read all issues of "The Voice." I have paid particular attention to the portions in "The Voice" dealing with young America. I have read the portion of "The Voice" magazine issue of August 1936 commencing at page 34, Exhibit 16, and believe in the method of education therein set forth. (Mr. Lazarus read said page.)

I believe the statement contained in the April 1936 issue of "The Voice" commencing at the bottom of page 31. (Mr. Lazarus read from said magazine, Exhibit 12, at page 31, and Mr. Cannon read page 32.)

Redirect Examination

I believe all of the principles of this work.

Recross Examination

I have no reason to doubt the statement contained in the August 1936 issue of "The Voice", pages 9 and 10, Exhibit 16. (Mr. Lazarus read said pages.)

[650]

Redirect Examination

I have never heard the Ballards fix a date for a cataclysm. Before I came into this activity I heard both black magicians and cataclysms mentioned.

FAL deST. PHALLE

was called as a witness in behalf of the defendants and testified as follows:

I live in New York City. I was a member of the New York Stock Exchange for a little over 10 years. I was born in France. I came to this country in 1905 when I was 16 years of age. I became a citizen of the United States in 1911. I studied law at the New York University in 1909-1910 and 1911, but not for the purpose of practicing it; I didn't take a Bar examination. I received a degree of Doctor of Laws from the New York University, graduating with first honors. I am an I Am student and have been such since 1937. In 1935 I read "Unveiled Mysteries." I got the book through the recommendation of a friend. I purchased it at Brentano's in New York. As the subsequent books of the Saint Germain series came out, I purchased them. I have attended 25 or 30 of the Ballard classes, some in New York, Philadelphia, Washington, Cleveland, New Bedford and Boston; this over a period from 1937 to 1941. At these classes I never heard anyone solicit money or the purchase of books, magazines, phonograph records, jewelry or other commercial products. I am a group leader. The average number of my groups is about 15. The benefits I received from my contact with the activity are better health, better self-control and poise and a better capacity to attend to the normal business that I have to do. I held group meetings on Tuesday evening and Sun-

(Testimony of Fal de St. Phalle.)

day afternoon. Each meeting means about four hours —three hours in actual meeting and one hour in preparation. I don't submit, nor has there been requested of me, any financial reports to the Ballards.

[651]

Cross Examination

I am not retired but business is now slow in Wall Street so I am taking it easy until new opportunities develop. In our reading room we have books of the Saint Germain Press for sale. These were purchased from the Saint Germain Press. My group is one of many groups that use this reading room. The reading room has a large chart in action. I didn't purchase it so I don't know what it cost. We have a medium flame in action at the reading room. We have a picture of Guy Ballard in the reading room, a large picture of him. They sell decree books at this reading room.

Redirect Examination

I have nothing to do with the operation of the reading room, make no purchases and do not conduct any of the sales. When I was 16 years of age I started in banking. At first I worked for a Fifth Avenue Bank and then for five years I was with J. P. Morgan and Company. When I worked for the J. P. Morgan and Company I became a member of the New York Stock Exchange. Then I became a partner in a brokerage house and then I organized an international brokerage house with my brothers.

(Testimony of Fal de St. Phalle.)

We had offices in Paris, London, Brussels, Zurich, Berlin, New York, Philadelphia and many other places.

Recross Examination

At home I have all of the books and all of the issues of "The Voice" and I have read them from cover to cover many times and gotten great benefit therefrom. I have also two or three pictures. I believed that the experiences in the books of Mrs. Ballard, Donald Ballard and G. W. Ballard with Saint Germain were true experiences. I so believed at the time I read the book.

Redirect Examination

I did and do believe in the experiences recited in said books. [652]

WILLIAM J. CASSIERE

was called as a witness in behalf of the Defendants, and testified as follows:

Direct Examination

I am 45 years of age. My home is in Houston, Texas. I became a student of the I Am in Chicago in 1933. At that time I was engaged in the printing business. I had no proprietary interest or financial interest in the Saint Germain Press or the Saint Germain Foundation. In the latter part of 1935 and the early part of 1936, I received a commission for selling books of the I Am activity. The commission

(Testimony of William J. Cassiere.)

was 30 percent. I heard the testimony of the witness Merton Casterline. I did not at any class or classes that I conducted in Cleveland state that the only way the ascension could be made was through the ascension of the physical body, nor did I, following a class on a Sunday evening in Lima, Ohio, state to Mr. Casterline that I had come back to Ohio to conduct a class because my pockets were empty, nor words to that effect. Nor did I say to him that I knew I could get my pockets filled in Cleveland; nor did I say to Mr. Casterline in Cleveland in substance or effect that there was an earthquake under the lake and the city was to drop into the lake or slide into the lake and that if the students would build a wall of light sufficiently strong the city of Cleveland could be saved. I didn't hear Mrs. Ballard nor anybody else make a statement on November 3, 1936, nor at any other time either in substance or effect that there would be a destruction of the earth in about two years and that everybody should sell their securities, keep what they needed for the two years and give the rest to the I Am; nor did I ever make any such statement myself.

I did buy a book of the Saint Germain series from Miss Virginia Meyer in San Francisco, and directed it to be mailed to my wife at Vallejo, but at that time, or at no time, did I state that if my wife didn't read the book she need not come and speak [653] to me again. I did not state to Miss Meyer that I was an accredited messenger of Saint Ger-

(Testimony of William J. Cassiere.)

main, I stated that I was an appointed messenger.

I did not give any decrees or make any statement to any of my classes to the effect that the time for cataclysm was imminent and that we should get the books before the people as quickly as possible but I did lead the class in a decree for America's protection. I have always instructed the students to keep their attention off the cataclysm and to put their minds on the Mighty I Am Presence and to give their decrees to the protection of America or their particular city. I have never seen Government's Exhibit 189 in which Mrs. Ballard writes to Mrs. Fowler under date of October 8, 1940, to the effect that in Seattle the students are not using the decree books as directed but are repeating the phrases. I have discussed with Mrs. Fowler the manner in which these decrees should be read but never did I state to her that she knew why I wanted the students to read the decrees, that it was so that everyone would buy a decree book. In 1940, during a ten-day class, I discussed with Mrs. Fowler the matter of reading decrees in unison. She said that Daddy Ballard had told her she could give the decrees phrase by phrase, but that Mrs. Ballard had written her to give the decrees from the book. I told Mrs. Fowler that she had better do as directed by Mrs. Ballard as it was necessary in order to save time and in order to build a perfect pattern; that the ascended masters wished the decrees given in unison. I never told Mrs. Fowler in 1936, or 1937,

(Testimony of William J. Cassiere.)

or 1940, or at any time in substance or effect that I had challenged Mrs. Ballard in Cleveland to the effect that she had admitted that Saint Germain was in Europe and that she had not been in contact with him, and that I refused to be dismissed.

Defendants' Exhibit "GG" was received in evidence. [654]

I didn't make the statements set out in said letter by Mrs. Fowler as having been stated by me.

I did not in 1936 or at any time state as testified by Mrs. Fowler that my autograph on some of the books had a different radiation than the other messengers. As a matter of fact we were not permitted to autograph the books because we were not the authors. However, sometimes I did put my name on the books but made no charge therefor, nor did I make any statement that my name thereon would have any different radiation or any particular influence. I began lecturing on the I Am in January of 1935, and I lectured until about October of 1935 when I left Chicago and went on the road. I made my own itinerary. I paid my own expenses. At first my expenses came out of moneys I had saved from my printing work, but later they were paid by love gifts received by me. When I was short I used money I had received as a soldier's bonus, and on one occasion I borrowed $500.00 to carry on the work. Once Mr. Ballard gave me $100.00, and on another occasion he gave me $50.00. The amount

(Testimony of William J. Cassiere.)

of bonus I put into the work was $1250.00. I paid all expenses, hall rentals, printing and things of that kind. During my entire time with the I Am movement, I have not stored up or saved any money. As a matter of fact even the automobile I am driving isn't paid for. I have donated many books to public libraries and to others. These books I bought myself. I have donated a dozen in California, six in Montana, three in the State of Washington, also in Cleveland, St. Paul, Minneapolis, New Mexico, Arizona and Texas. At my classes I explained the chart. The way I would explain it is as follows: "I call your attention to the February, 1937 "Voice of the I AM" with the description of the chart and I call your attention to the figure, the upper figure in the chart. It is to this figure that Jesus referred when he said: "I am the light that lighteth the way of every [655] man that cometh into the world."

"It is also that great presence which appeared to be Moses and which Moses requested the name of and God said, 'I am that I am. That is My name forever. Thus shalt thou say unto the children of Israel, the God of my fathers has sent you unto them.'

"This is also the presence that Jesus referred to when he said, 'The kingdom of heaven is not far from you.' This is also the open door to which Jesus referred. In fact, all of Jesus' statements that were very positive and powerful, were prefaced with the words 'I Am'. 'I Am God, and there is none like

(Testimony of William J. Cassiere.)

Me.' And also, Paul, the Apostle, referred to this being when he said: 'For there stood by me this night the angel of God who is I Am and who I serve.'

The lower figure represents the human or flesh body; the upper figure represents the Individualized Presence of God, which is the electronic body of the 'Mighty I Am Presence'. Between the flesh body and the Presence is the Higher Mental Body, a form just as tangible in its own Octave as your own flesh body is here, but not illustrated on the chart.

"This is your discriminating selective intelligence, your Christ self or the open door to which Jesus referred.

"The higher mental body which is this figure which is shown from the chart, or the Christ-self knows the perfection of the presence. It also knows the imperfection and the undesirable creation which the human has drawn about itself, but it will not accept that imperfection into its world.

" 'The Ray of Light'—or the silver cord—'which goes from the Heart of the Presence, through the top of the head, anchoring within the heart of the flesh body, is the Life, the Light, the Substance, the Energy, the Intelligence and the Activity by which the physical body has Life and is enabled to move about. [656] When your attention goes to the 'Mighty I AM Presence', this Ray of Light and energy begins to intensify and expand, until the

(Testimony of William J. Cassiere.)

point of Light within every cell of the flesh body responds to it.'

"Then the presence does seven things. When you call to the presence, the presence does seven things for you. Then when you call, the presence begins the process of throwing off the denser qualities of the flesh body. As this intensifies, that radiance forms a tube of light about your flesh body.

"'You can call the Presence into action to make It so invincible, so impenetrable that even a bullet cannot penetrate it. This becomes an 'Invincible Wall of Light' enfolding you and no human thought, feeling or suggestion can penetrate it or disturb you in any way. This is one of the greatest needs of mankind today.'

"This is also as referred to by Jesus in Mathew 24, when he said, 'Stand in the holy place'. Stand in that tube of light which is all about you.

"The Violet Flame flowing up, through and around the lower figure, represents the Violet Consuming Flame, which is released by your 'Mighty I AM Presence', when you call for its Action to be passed through you and your world to consume all discordant creation past and present. It is also stated in the Scriptures, 'My God is a consuming fire'. This is also that which John the Baptist referred to when he said that the chaff would be burned in the fire unquenchable. 'The use of the Violet Consuming Flame is imperative.'

(Testimony of William J. Cassiere.)

"Everyone, who has ever accomplished the Ascension, Jesus included, had to use this Violet Consuming Flame to dissolve his own human creation, before the Substance of his flesh body could vibrate at a rate that would enable it to ascend. All must do this some day and it is the only way by which anyone can free himself and become Master everywhere he moves in the Universe. [657]

"Jesus is supposed to have been referred to by John the Baptist in which he said, 'He will come with his fan in his hand'. That means those light rays. 'He will thoroughly purge his floor. He will gather the wheat into the corner, but the chaff he will burn in the fire unquenchable.'

"When you sincerely and firmly give attention to your 'Mighty I AM Presence', your Ascension begins that moment. The practical part of this True Understanding is, that when you give your attention firmly to your Presence, the Ray of Light and Energy from your Presence begins to intensify and expand, causing the rapid expansion of the Light within every cell of your body, until the earth loses its attraction for the body. Then, as the attention continues to the Presence the finer part of the flesh body ascends and is absorbed into the Higher Mental Body.

"Notice that I said, 'When you call to the Mighty I Am Presence, then the presence begins.' Thus, the transformation from the human into the Divine takes place. This was called the transfiguration of

(Testimony of William J. Cassiere.)

the various beings who, like Jesus, were able to go different places and be seen when his body was supposed to be somewhere else.

"Thus, the transformation from the human into the Divine takes place, all sense and appearance of age leaves the face and body, the hair returns to its natural color and the clothing dissolves into the Garments of the Higher Octaves. Then the finer part of the flesh body is drawn into the Higher Mental Body, and It ascends into the Electronic Body of the 'Mighty I AM Presence', when the individual becomes the Ascended Being, which Jesus, Saint Germain and hundreds of others are. This is the individuals' Eternal Body of Light that never changes. The Ascended Being can raise or lower the rate of vibration of his or her body and make it visible or invisible at will, in the human octave.' Or in the Ascended Master Octave—'This is how the Ascended Masters appear [658] and disappear at will. There is nothing spiritualistic about this. It is just a Mighty Divine Law of Life in perfect action, heretofore not understood.'

"The Ascended Master is as far above a disembodied individual as Light is above darkness. The Ascended Master is the Conqueror over so-called death, while the one who has passed through death has failed to hold the Mastery or Control of its substance and energy. Therefore, he must return in another baby body, grow up and try again to attain his Victory * * *".

(Testimony of William J. Cassiere.)

"That is why Jesus said, 'Ye must be born again.'

"'* * * by keeping his physical body harmonious long enough for his Presence' of light and love to release its power. It will thus expand the perfection of itself in your flesh body, and this is known as the ascension.'

"The Color Radiance around the Presence represents the accumulation of all the good from all the past lives of the individual. It is a Great Storehouse of Energy which the individual has earned. This Great Energy will be released into physical use, when enough attention has been given to the Presence. By the physical.

"Around the lower figure or flesh form is the accumulation of whatever irritable, destructive qualities the individual has generated through the centuries. The great Mercy of the 'Mighty I AM Presence' is, that few are ever permitted to see the discordant accumulation. This is why it is imperative" —it is necessary—"to call the Presence to use the Violet Consuming Flame each day," and for the student to call that Violet Consuming Flame into action to be sustained each day and three times a a day we recommended until this is completely dissolved and consumed.

"That means the discordant shell. It does not mean that the physical body will be dissolved at all, but it does mean that it will be purified and the purified essence will be raised. [659]

(Testimony of William J. Cassiere.)

"At the left of the lower figure is Mt. Shasta, where some of the experiences of "Unveiled Mysteries" took place. At the right are the Teton Mountains where the Retreat—the Royal Teton is located. It is in this Retreat that the Great Assembly of the Ascended Masters meet twice each year to render a Mighty Service of Light, Love and Perfection for the Freedom and Blessing of mankind and the earth."

The witness, in giving the above explanation, read from his copy of the February, 1937 issue of "The Voice", Government's Exhibit 22, (which copy was later identified as Govt. Ex. 211).

The foregoing description I would give with some variations depending upon questions that might be asked. Over a period of six years, I would say I gave the explanation approximately 3,000 times. I don't always refer to the notes I referred to here in giving the lecture, sometimes a copy of "Unveiled Mysteries" would be on the stand and I would use that.

The Ascended Masters can prevent cataclysms without the help of the I Am students. But since he is wholly free and does not need us and we need him, therefore, he would ask us to make the call and then he, according to the amount of energy that we released, would take that energy and amplify it, and if there was sufficient then he could stop any cataclysmic action.

There follows a discussion between counsel, the

(Testimony of William J. Cassiere.)

witnesses, one of the jurors and the court, relative to the notes that were used by the witness in explaining his lectures on the chart being received in evidence or handed to the jury, the witness expressing reluctance to turn the notes over because he would lose his own radiation, but all counsel agreeing that if insisted upon, the rules of evidence required that they be turned over.

Cross Examination

Although I have given the explanation from the chart 3,000 times, it is true that in substance I had to read a great [660] deal from my copy of Government's Exhibit 22. It is true that the 1937 issue of "The Voice" is only 4-1/3 pages long.

It is true that in Government's Exhibit 22 that I used in connection with my explanation of the chart, no reference was made to Saint Paul, none to Jesus' statement relative to the Kingdom of Heaven, none to Moses and none to Paul the Apostle, and none to John the Baptist, and none from Mathew 24.

Before the issue of "The Voice" of February, 1937 came out I read from the February, 1936 issue of "The Voice" in describing the chart (Government's Exhibit 10), but I always interposed the scriptural statements. As a messenger I had the privilege of explaining—the group leaders were not permitted to interpolate. I have read the instructions to the group leaders not to interpolate

(Testimony of William J. Cassiere.)

as set forth in Government's Exhibit 16, at page 32, but I didn't have such an instruction. The description of the chart of the Mighty I Am Presence as contained in Exhibit 22 was read by Mr. Ballard, I presume, at Jesus' request. Yes, I can show you where it says that in the magazine. It is on a later page of this Exhibit No. 22 (the witness indicating). It is a discourse by Jesus. I heard Jesus make that statement to Mr. Ballard. I don't know who gave the directions as set forth in Exhibit 16 that those who teach the work should not interpolate the teachings, but I didn't interpret the teachings. I used ascended master words from the Scriptures.

I have read a portion of the March, 1936 issue of "The Voice", Government's Exhibit 11, on page 32, as follows:

> "Jesus has asked that all students under this radiation put aside everything else they have ever studied and enter into such close communion and companionship with the 'Mighty I Am Presence' that it will enable the Ascended Masters to give the greatest possible assistance. * * *" [661]

The portion of the notes that the witness used in describing the chart was marked Government's Exhibit 211 for identification.

One of the primary purposes of this chart was to explain the ascension. It was used to assist the people in visualizing but not to assist them in achiev-

(Testimony of William J. Cassiere.)

ing their goal of ascension. I am familiar with the portion of Government's Exhibit 22, reading as follows: (Tr. Vol. 25, p. 4158)

> "Everyone who has ever accomplished the ascension, Jesus included, had to use this violet consuming flame to dissolve his own human creation before the substance of his flesh body could vibrate at a rate that would enable it to ascend."

None of the references in my magazine contain any reference to the Bible's description of Christ's actual ascension. I didn't use in any of my notes the references to Christ's Ascension contained in Luke 4:24, verses 50 and 51. Nor did I use in my notes any reference to the ascension described in Mark 16:19. I was not aware of the Biblical teachings of Christ's ascension, that after He left the sepulchre, after the three days and three nights, that He lived on earth about forty days and then his body, his physical body, ascended into the heavens. I placed the reference on my copy of "The Voice" magazine, Government's Exhibit 211 for identification, referring to Ex. Exodus 3:14, a few days ago. As I explained yesterday, I had a whole lectern upon which I had many books that I would use but when I came up here I only wished to use one so I put all my references together. No, I didn't have other copies of this magazine. I placed all my references in this magazine, (Exhibit 211 for identification) after the trial started.

(Testimony of William J. Cassiere.)

I was appointed a messenger by letter on Christmas Day, 1934. The letter had the name of Saint Germain typed on it. In [662] the course of my lectures I lectured in a hall in Seattle that Mrs. Fowler's group had provided. While on tour giving these lectures sometimes the hall was provided and sometimes I hired my own hall. Sometimes before lecturing at a certain city, I would have announcements circulated in advance. We traveled by automobile from city to city and enjoyed it. I can't say that I purchased $2,002.60 worth of material in 1935 from the Saint Germain Press. I don't have the figures. For the same reason, I can't say whether I purchased from the Saint Germain Press in 1936, $2,762.60 worth of books, pictures and other articles. I don't know what was purchased in 1937, whether it was $1,168.47 or not. In any event I didn't make the purchases in 1937, my staff did. After conducting a class in Seattle, with Mrs. Fowler's assistance, I was given an envelope with $200.00 in it which Mrs. Fowler said was from Santa Claus, which envelope I didn't open however until I got to Spokane. I don't believe I ever got love gifts from students other than those received at lectures. I didn't explain the chart at every lecture that I gave.

Exception No. 83.

Q. Did Mrs. Ballard ever tell you that Saint Germain had gone to Europe for three months, as Mrs. Fowler testified?

(Testimony of William J. Cassiere.)

Mr. Cannon: I object to that, if the Court please, as not being within the scope of the cross examination. * * *

The Court: Overruled and exception allowed.

The Witness: I do not recall ever having said anything to anyone about Mrs. Ballard having made any such statement. I always considered that Mrs. Fowler and I were on good terms. I was surprised when she said the things she said. She was always in fear of being dismissed and I was trying to help her. I don't believe I ever had any trouble with Mr. Casterline. He always wanted to have the reading room but I always told him that he would have to get permission. I never had any difficulty or trouble with Virginia Meyer. [663]

In my lectures I read from the works very often —"The Magic Presence" is my favorite. I tell the students that the experiences are real. I don't know why in Exhibit No. 5, (I Am Discourses) some of the dates are later than places in the latter part of the book. I have always believed that Mr. Ballard was an honest man and had the experiences. I taught the students that Mr. Ballard had the experiences related in "Unveiled Mysteries" at the dates that are therein designated. Referring to Exhibit 89 I have read many times page 260. Also, I have read page 244 of said Exhibit, but I don't believe I ever read from that particular part. I don't believe I ever read the foreword or other portions

(Testimony of William J. Cassiere.)

of the first part of the book at all (Exhibit 89). I don't believe I ever told the students that Mr. Ballard had these experiences in August, September and October of 1930 at Mount Shasta as I would have included the Royal Teton as some of the experiences there. I never visited the retreat of the ascended masters in the Royal Tetons. I was never invited. I read in the book "The Magic Presence" where it recites that the experiences are the second group of experiences which Mr. Ballard had but I don't believe I read that to my groups. I might have told my classes that these retreats were not imaginary or symbolic. When I used these books in my lectures I used them as references when people in the audience would ask me questions and I didn't necessarily begin with the first page and read right through. I don't recall that I told the students or read to the students from the first part of "The Magic Presence." I don't believe I read to them from page 132 of "The Magic Presence", except I recall the phrase "not as letter of service." I don't recall reading from page 175 of that book. I might explain that I read for the purpose of instruction and not for the purpose of narration. I don't recall reading to the students that Mr. Ballard took a trip to Paris, France, and then came back to the United [664] States. I don't recall having read to the classes page 242 of said work, nor page 265. I have often read to the students

(Testimony of William J. Cassiere.)

about the ascension of Daniel Rayborn but not the first part of that chapter. I didn't read page 265 to my classes. I have read to my classes page 287. I don't believe I read to my classes about Mr. Ballard's first trip to Europe. I don't recall reading pages 310, 313, 316, 336 or 368. (The readings above referred to were shown to the witness while he was testifying.)

Mr. Neukom read to the jury from page 368 of "The Magic Presence".

Exception No. 84

It was stipulated that objection had been made to all questions of the witness relating to whether or not the witness had read to the classes the excerpts above referred to on the ground that it was not proper cross examination and without the scope of the direct examination. Motion was made to strike all the answers, the objections were overruled and the motion to strike denied and exception allowed.

The Witness: When I was first appointed messenger in 1934, I took my instructions from Mr. and Mrs. Ballard and Saint Germain—that is—through them.

The witness was then shown Government's Exhibit 22, the February 1937 issue of "The Voice" magazine, page 13, and Mr. Neukom read said page.

I recall having read that. I recall having read Government's Exhibit 21, page 12, at or about the

(Testimony of William J. Cassiere.)

time it was published, but I don't believe I ever read that to my classes. (Mr. Neukom read from said page.) I may have or may not have told my classes that the foundation of this work was predicated upon Mr. Ballard's experiences. I didn't read to my group Government's Exhibit 16, page 32, being "The Voice", issue of August 1936. (Mr. Neukom read therefrom.) I haven't read page 5 of the first magazine, February 1936 issue, to my classes. Since Saint Germain [665] often referred to Jesus as "My Beloved Brother", I felt free to make statements concerning Jesus whether they were in the I Am books or the Bible. I follow the principles taught under this activity to the best of my ability. (Mr. Neukom read from Exhibit 17, September, 1936 issue of "The Voice", at p. 11).

Page 97 of the "I Am Discourses", Government's Exhibit 5, states my idea of instantaneous precipitation, as does also page 300 of "The Magic Presence." I have read those to my students. (Mr. Neukom read a portion of said page 97 of Exhibit 5, and at pp. 300 and 301 of Exhibit 4.)

Juror Barton: I have no question. I just wanted to ask the witness if he ever precipitated anything.

The Witness: Everything is precipitation.

Juror Barton: Answer my question. Did you ever precipitate anything?

The Court: Did you yourself ever precipitate?

The Witness: I bought a shirt, your Honor; that is precipitation.

(Testimony of William J. Cassiere.)

Juror Barton: No.

The Witness: All is precipitation. No matter what I get I now ask God for and so I include everything that I now receive as precipitation from my own God-self and I never stop thanking that God-self for producing what I require.

* * * * *

Juror Barton: Isn't that something different from what we have been talking about as precipitation?

The Court: That is going to be a matter for the attorneys on both sides to argue to the jury, and that will be a matter for you gentlemen to decide.

Mr. Neukom read from "Unveiled Mysteries" Exhibit 3, at pp. 46 and 101.

The Witness: I don't believe I ever read to my classes [666] page 101 of the "Unveiled Mysteries", Government's Exhibit No. 3, nor page 46 thereof.

Redirect Examination

I used the expression many times, "Choose ye this day whom ye shall serve," as set forth in Government's Exhibit 7, on page 77. That is from the Scriptures in the Bible. Also, on page 99 of said Exhibit, the statement, "Call unto me and I will answer you!", is from the Bible. Also, the statement, "Decree a thing and it shall be established unto you", is from the Bible. Also, "Concerning the works of my hands, command ye me", is from the Bible. Also, "Prove me now, if I will not open

(Testimony of William J. Cassiere.)

the windows of heaven and pour you out a blessing until there is not room to receive it", is from the Bible. While I stated that the scriptural quotations and notations that are contained in my copy of "The Voice", the February, 1937 issue, (Exhibit 211 for identification) were placed thereon by me after the trial commenced, the card which is attached to three pieces of paper, which was in said Exhibit and upon which are scriptural notations, was made by me commencing in 1936 during the next two or three years. However, the handwritten portions on other slips also attached to said Exhibit 211 for identification, were put in my book in the last couple of days, being notations from "Unveiled Mysteries."

The card with the Scriptural notations was received in evidence as Defendants' Exhibit "EEE".

Recross Examination

I didn't use this card "EEE" in explaining the chart to the jury. [667]

LEROY J. LEISHMAN

was called as a witness in behalf of the Defendants and testified as follows:

I am not an I Am student. The only defendant in this case that I have met is Mrs. Ballard; I met her in court one day last week. I live in Los Angeles and have lived here for 20 years, except for

(Testimony of Leroy J. Leishman.)

18 months. I suppose you would call my business that of a research engineer. I also give talks on applied physics for various groups and colleges. I have lectured at the University of California in Los Angeles, California, California Institute of Technology and most of the colleges and junior colleges in Southern California. I have made several inventions on which I hold patents. One such invention was a mathematical device used to figure the range on guns. It was used in the last war. I developed the first commercial systems for transmitting pictures electrically, and the first systems that transmitted the first pictures in natural colors. I have had experience in recording and reproducing phonograph records and hold several patents pertaining to electric reproduction of phonograph records. The Pacent Electric Company, the Webster Electric Company and the American-Bosch Magneto Corporation used my electric phonograph reproducers. I have had experience and conducted research in connection with sound and radio waves. I have had dealings with prominent concerns relative to tuning devices developed by me for tuning in waves used for the transmission of radio and television. My tuners are used in Motorola sets, Travelaire sets, Zenith radio sets, Gilfillan and Packard-Bell sets. My work in connection with phonograph recordings and reproductions has to do with portions of the vibratory spectrum dealing with sound waves, and my work in color and in the

(Testimony of Leroy J. Leishman.)

transmission of pictures and with radio tuners has had to do with other parts of that spectrum. The portion is ordinarily called the electro-magnetic [668] spectrum, which deals with waves in the ether. The electro-magnetic spectrum is in part real and in part a convenient way of representing the wave lengths or frequencies that pass through space. They all travel at a uniform speed of 186,300 miles a second, but the sources of the waves give different frequencies to the vibrations, and as these frequencies vary they produce wave lengths or waves of different lengths. At one end of the spectrum you have long waves used for radio transmission, then at the other end you have short waves known as cosmic rays, but a spectrum can perhaps be best explained by telling how a spectrum of visual rays is produced.

Newton has separated light rays into the rays of which it is composed by placing a prism into the path of a beam of light which broke the white rays into different component colors of which it is composed and gave a band of color or a collection of bands. Thus at one end it would be red, then orange, yellow, green, blue and violet, with various intermediate or transitionary hues between those prominent colors. That is called the spectrum visible light. It is like a rainbow, but the width of the color bands has nothing to do with the wave lengths. In fact, you would represent a given wave length by a width of band infinitely longer than

(Testimony of Leroy J. Leishman.)

the actual wave lengths of the colors. Now if you consider all of the waves in the ether to be similarly placed according to their wave length or frequency, then you have an electro-magnetic spectrum. Most of the work that I have done has had to do with the expansion of the scope or range of the five senses. Because of the limited scope of our five senses, scientific research has been mostly for the purpose of finding out by indirect means what we cannot learn by our senses. Thus the only thing that the eye sees as to the spectrum are the things that we call colors, but only an infinitesimal part of the spectrum has anything to do with color. In every day life we are [669] dependent upon things that we cannot see through our five senses. Thus, automobiles are propelled by changes in the structure of the molecules in the gas vapor of the gasoline but we cannot see the molecules and we know of their existence by indirect means rather than by direct visual observation. The illumination in this room is produced by electricity, electrons traveling along the wires but the weight of the wires with the current off and on is the same, yet we know when we turn on the switch that the room is illuminated. Likewise, radio waves from all parts of the earth are passing through this room but we cannot see them through our senses. We have to depend on other means in learning that they are here. I am not a physician, a surgeon or a therapeutist.

(Testimony of Leroy J. Leishman.)

Rays that come from a blue phonograph record would have certain characteristics in common with ultra violet light and with rays that are recognized commonly as having a healing effect.

In answer to Juror Darsie's question, the witness stated that he did not deal with actual material physics in determining the practicability of his findings for use or metaphysics. In fact, that he knew nothing about metaphysics.

The Witness: The characteristics of the spectrum change gradually. They find similar characteristics in adjoining wave bands. In fact, they usually overlap. I have had some experience in research with X-ray. In fact, I am presently engaged along that line. The word "actinic" has to do with the chemical effect of light. I have compared the actinic effect of rays that come from the blue records with those that come from the black or red records.

A black record from Saint Germain's Press collection was marked as Exhibit FFF for identification.

A blue record from the Saint Germain Press was marked as [670] Exhibit HHH for identification.

Light travels in waves and certain waves are interpreted by the eye as color. I don't think we can say the waves themselves have color but the psychological effect is that the eye gives us the sensation of color. However, so far as sound is concerned there is a marked difference in the effect of the

(Testimony of Leroy J. Leishman.)

blue record and the black record, Exhibit FFF and GGG. Electrical rays and sound waves are two different subjects. Color has to do with what we know as ether waves. These are from short waves. They travel in what is called the electro-magnetic spectrum and are entirely different than the sound wave which travel in the air. Sound cannot be transmitted without air. Sound won't go through a vacuum. It only travels about 1100 feet a second but electro-magnetic waves travel through ether, through all space. Sound waves are I guess what you could say is by impulse but I don't know what Juror Darsie means when he asks if sight wave is by refraction. There is no difference between light waves and color waves. In order to determine the relative chemical effect of light from these three different records I have photographed them all at the same time and I have these photographs. In photographing these records the rays that would affect a given part of the plate would be the rays from the records themselves. In other words, what shows on the photographic plate as this black record is due to this actinic or chemical effect of the rays coming from the black record, and likewise for the red and the violet records, and therefore the relative degree of blackness or lightness as shown on the photograph is a measure of the chemical or actinic effect.

The photograph referred to was marked as Defendants' Exhibit III for identification. [671]

(Testimony of Leroy J. Leishman.)

The large black circle on this photograph is the black record. It naturally appears black because black is the particular color itself. It absorbs the rays of light and does not reflect. Now the red record is the small black circle. It looks about the same color as the black record because there are no actinic rays from this record, but the violet, on the other hand, which is much lighter, had a chemical effect. It acted actinically on the plate and therefore comes out lighter than the red or the black. The three records were all photographed together under exact, similar conditions. I took a photograph of the rays from an ultra violet lamp and it compared with the blue record. I took a piece of the same kind of photographic film that was used in the picture Triple I, covered it with a piece of dark paper to hold back the rays and then cut a round circle in it so that the photographic plate that was a negative could be exposed in that circular portion to the rays that were coming from the ultra violet lamp. The resulting picture showed that the rays from the ultra violet lamp also had an actinic or chemical effect upon the photograph.

Said last mentioned picture was marked as Exhibit JJJ for identification.

Then I took another picture but this time I put a lens in knowing that violet rays won't go through glass; otherwise, the picture was taken in the same manner as Exhibit JJJ for identification. It is noticeably better. Hence, the difference between

(Testimony of Leroy J. Leishman.)

this photograph and Exhibit JJJ is the chemical measure of the actinic or chemical effect of the ultra violet rays.

Said last mentioned photograph was marked Defendants' Exhibit KKK for identification.

It was stipulated that if Defendants' Exhibits GGG and FFF were played that Exhibit GGG, the blue record, would sound better than Exhibit FFF, the black record. [672]

There was marked as Exhibit LLL an exact copy of Government's Exhibit 150-A. Thereupon Defendants' Exhibit LLL was played. Said record was a lecture by Guy W. Ballard to the effect that there was no such thing as death, that death is actually only a change of garments; that when people die they are not really dead, just gone from the physical sight; that in death the dense body or physical body, is changed to a finer one which is invisible to the physical sight. That there is no unhappiness in life. That if people would try to comprehend a greater understanding of life they would see that all the wasted energy that causes depression may be but an indication that the conditions that confront one are all mistakes.

The Witness: When this blue record is played there is a different result in connection with its color and effect than if it is not played. The grooves on a phonograph record are a continuous single spiral groove. If nothing was being recorded with the recording tool of the record there would be a

(Testimony of Leroy J. Leishman.)

perfect spiral but when something is being played the sound waves produce a movement or wobble corresponding to the sound waves and that causes the sideways movement of the groove that would otherwise be a perfect spiral. If an ordinary record is held obliquely to the light you see all sorts of colors due to the way the grooves break up the record. Now there is a phonograph on the market that works on the principle that the sideways movement of the needle moves a little mirror and when light falls on the mirror it is reflected into a photo-electric cell. Then the output of the cell is amplified and fed to a loud speaker and the movement of the needle in the light beam modulates the light beam and produces the music. Hence, if you could be sure that a certain groove would pass beneath a definite instrument that you might set up in the same place always, you would not have to use the [673] needle. A small beam of light could be focused into the groove and the lateral movement of the groove would in the same way modulate the light. Also, you could put a hundred needles in each of the 300 grooves of the record and that would make a terrific amount of light, and without any of those needles and with the light falling directly on the record and into those grooves, the sideways movement of the grooves modulates that light, which means a relatively large amount of light when you consider that it is only the amount of the groove that the end of the phonograph record

(Testimony of Leroy J. Leishman.)

fits into that is required to cause the modulation. The fact that the quality of cutting on the blue record is superior to that on the black makes a difference in the way in which the tone is modulated from the light. The same would make a smoother movement of the phonograph needle. When the blue record is played you have a blue light modulated rather than a black light. When it is played you have the modulation of all the blue light as compared to the blue light that would not be modulated when the record is stationary. By modulated, I mean moved or changed in any way.

Cross Examination

Mr. Lazarus: Well, Mr. Leishman, how blue does a record have to be before it has any healing quality?

A. I have no ideas on that matter at all. I know nothing about the healing arts.

Q. You know nothing about whether this record is made of a healing quality or not, do you?

A. I have no ideas on that matter.

Prior to the time that these blue records were first made I was not consulted by the Ballards or any members of their staff regarding the effect that the refraction of light would have if these records were played. I have not been paid for testifying but I expect to be paid as an expert. I have no agreement at all, however, in that respect. I have been present in court for a part of two days

(Testimony of Leroy J. Leishman.)

and I heard the testimony of Dr. McClenathen. I have read, while in court, the testimony of Dr. Moore. [674]

Redirect Examination

Until I saw the blue records of the Ballards, I don't believe I had ever before seen a blue record.

Juror Barton then asked as to the object of playing the blue record, Exhibit LLL. The Court replied that that would have to be left to the attorneys to argue, and the Court stated that Juror Barton could not ask any further questions along that line.

Juror Darsie then asked the witness as to whether the witness had made a record and observed as to whether there was any chemical change in flesh, blood or other body composition. The witness answered no, and the Court stated that that would be under the heading of therapeutics. The Juror replied, "Not necessarily," and the Court replied that perhaps there was a slight distinction but that the witness had answered.

Juror Nerney asked if he understood when Mr. Lazarus read from "The Voice" magazine that it was stated that the blue records were made from a blue transparent material. Mr. Lazarus answered yes. Mr. Peterson said he thought it was translucent, but in checking Government's Exhibit 63, page 39, it was found that the word "transparent" was used. Mr. Peterson stated he was wrong but

(Testimony of Leroy J. Leishman.)

other references in "The Voice" as to its composition were translucent. The Juror's inquiry was directed to Government's Exhibit 63, the July 1940 issue of "The Voice."

Juror Batchelor asked if the pictures taken by the witness had been taken with a baffle back. The witness replied yes, and with the light coming in on them from in front. The Juror then asked what caused the streaks across the back and the witness replied that that was reflection, the same as could be seen in the phonograph record right now, high light. The Juror argued that that would not be seen against the baffle back, but the witness replied that if you put anything behind that and have the light on the same side as the observer that it would appear. [675]

Recross Examination

The Witness: The pictures were taken when the phonograph record was stationary, not revolving.

FREDERICK LANDWEHR

was called as a witness in behalf of the Defendants and testified as follows:

I live at the Biltmore. I am an organist for the I Am movement. I play the organ for the Shrine classes. I met Mr. Ballard in July of 1939 when I was employed to play in the Shrine classes but I

(Testimony of Frederick Landwehr.)

had met him several years before. I have seen Mr. Ballard play the piano. I have heard him play many times. On August 15, 1939 Mr. Ballard called me to his room where he was playing the piano and told me he had some compositions coming through and asked me to take them down. He would play a theme through and accompany himself with his left hand on the theme which to me was very natural. I took the theme down and later on arranged it. I had had experience in making arrangements before. When I said "coming through" I meant that Mr. Ballard would just play, the music would just pour through him; it wasn't anything familiar. I had not heard these themes anywhere in my musical experience.

Defendants' Exhibit MMM was marked for identification.

Exhibit MMM is in my handwriting. It is "Nada, Our Love." On that same date, August 15, I took down other themes. They were "America Our Own Beloved Land" and "The Goddess of Purity." They were taken down on this sheet. "Nada, Our Love", I arranged for piano and voice.

Defendants' Exhibit NNN was marked for identification. The witness said that Exhibit NNN was the final scoring and arrangement of the theme he took down in August 1939 from Guy W. Ballard.

The Witness: Mr. Ballard wrote the lyrics for this [676] song. Some of the lyrics came through while the music was coming through at the same

(Testimony of Frederick Landwehr.)

time. On a number of other occasions I arranged themes or melodies that Mr. Ballard played for me. Some of them appear in Defendants' Exhibit MMM for identification. "The Cosmic Heart" and "Saint Germain" in this book have not been published.

There were received in evidence Defendants' Exhibits OOO and PPP, the witness testifying that they were published copies sold by the Saint Germain Press.

The Witness: I am the Frederick Landwehr appearing thereon as the one who arranged the music. Mr. Ballard wrote the words and music to Exhibit PPP, "Goddess of Purity". Exhibit OOO, "America, Our Own Beloved Land", was also written, words and music, by Mr. Ballard. I succeeded Virginia LaFerrera on the Ballard staff. None of these themes that I took down are my own creation. They were every bit Mr. Ballard's.

Cross Examination

I was not on the staff until Virginia LaFerrera left. I live at the Biltmore with the Ballards, where all the staff lives. I have worked with studios and musicians and with film directors who had themes in their minds and wanted scored and arranged. Some of them would play the ideas that they had. the themes, and I would take them down and arrange them and score them. However, I didn't write the words for them. When I helped these

(Testimony of Frederick Landwehr.)

other people the music would come through them, and that is likewise the way Mr. Ballard would do it, the music would come through him in that way. The marvelous part of taking down the theme and the lyrics for Mr. Ballard was that first the words, the lyrics, would come through and then the music. I have never had an experience like it. He would play maybe a line or so and the words would come through and I would write the words under [677] the music and sometimes there were poems that he had already written and he would play the music from the poems and I would write the music down.

Exhibit MMM for identification was introduced in evidence.

DONNA LUCAS

was called as a witness in behalf of the defendants and testified as follows:

I live at 6367 Wilshire Boulevard. I am a follower of the I Am activity. I supervise the I Am school which is at the location where I live. I have been supervisor since the second year that the school started. There are 32 this year. There was a maximum of 84. The students are children of the I Am members. They are from different parts of the country. We have from kindergarten through high school. We teach all the subjects that are taught in the Los Angeles Public Schools and High Schools. We use California textbooks. We

(Testimony of Donna Lucas.)

have regular visits, since the second year, from the Board of Education. We also have classes pertaining to the I Am activities. These are daily. We start the school activity each day with a Pledge of Allegiance to the Flag and carry on through the outline as is printed. At the noon hours we have decrees and songs. At the conclusion of the day we have one pertaining to the protection of America, decrees and songs, patriotic songs and decrees for the protection of America. I don't report to the Ballards. It is an activity conducted independently by followers of the I Am rather than the Ballards.

Cross Examination

Mr. Wilson of the Board of Education is the one who calls on us. His last visit was in October or November of 1941. He gave us literature from the Board of Education but no certificate. We charge $750 a year for resident students and $350 a year for day students. The books we use pertaining to the I Am [678] activity in these schools are published by the Saint Germain Press. Some we buy and some are given to the school. For the most part the children have their own books too.

Redirect Examination

The $750 per year paid by resident students includes board and expenses at the school, everything they would get in their own home and schooling besides. [679]

EDNA W. BALLARD

was called as a witness in behalf of the defendants and testified as follows:

I did not at any time either in substance or in effect tell Helen Pinkerton, who testified in this case, to leave her home and to take her four children with her, and that if she did not do that the children would die one by one, nor did I tell her at any time or place that the Pinkerton home was filled with tobacco entities. I never had a conversation at any time like that related by Murray Stover when he testified that he heard a conversation between me and some persons unknown to him by name or otherwise, and whom he cannot identify, purportedly to the following effect that an unidentified person is supposed to have said to me she found it difficult to convince anyone when she talked about the spectacular and sensational statements that were made at the I Am meetings and that I thereupon said it was the spectacular and sensational which drew the crowds and that the larger the crowds were, the more the income, and in which the unidentified person was supposed to have stated "I cannot seem to make them believe it", after which I am supposed to have said, "I can make them believe anything or do anything I tell them and that most of them would even come to me on their hands and knees if I told them to do so." I did not tell Wilbur Smith in Miami, Florida, in 1935, or state in his hearing, or at all, that I had

(Testimony of Edna W. Ballard.)

heard that people in California were metaphysically minded and that things of that nature would go over very big out there and that a certain party I knew had fallen into a gold mine in Los Angeles. I never made such a statement either in substance or effect. It is true as testified to by Mr. Gysi that I at *this* suggestion made any changes in the manuscript of any of the books or either of the books from the way the manuscript was delivered to me. I made changes in punctuation, that is true, and in capitalization.

I never at any time stated to Mrs. Bliss that the Bible was a [680] filthy book. Mr. Ballard did not make such statement as is attributed to him by Mrs. LaFerrera to the effect that those persons whom Saint Germain might dismiss from the staff as being disloyal would not live six weeks in the outer world and would writhe in agony and go through second death, or things of that nature, nor did I make such statements.

The conversation testified to by Mr. Crouse as occurring near December, 1938, between Mrs. Mundy and myself and Mr. Crouse concerning discourses that appeared in the magazines and in which Mrs. Mundy is supposed to have said that she knew she took down the words of the discourses exactly as Mr. Ballard gave them, that she did not make any mistakes, and that therefore she didn't understand why, when the discourses were prepared for printing, they should be changed, the sentences rear-

(Testimony of Edna W. Ballard.)

ranged and grammatical errors corrected, and she couldn't see why an ascended master should say anything that needed changing, and in which conversation I was supposed to have said something to the effect that the discourses couldn't go out the way they were before being changed, did not occur in substance or effect. Mr. Ballard did not make the statement in 1936 that Saint Germain had been there and commanded that Donald and Marjorie be married immediately. I did not make any such statement, nor was it made in my presence nor did Saint Germain make such a statement in my presence.

I have never intentionally or at any time made any false or untrue statements to any person in connection with the I Am activity. I have not done anything in connection with the I Am activity, nor said anything that I did not honestly and sincerely believe to be for the good of the "I Am" students and for their temporal and eternal benefit. (Vol. 26, p. 4324)

Mr. Cannon: Now, if the Court please, your Honor has heretofore stated as the law of the case that the jury are not going to be permitted to speculate on the actualities of these [681] incidents of the ascended masters or supernatural beings referred to in the literature and testified to by various persons who have taken the witness stand. You further stated as the law of the case that no attack can be made on whether or not these things hap-

(Testimony of Edna W. Ballard.)

pened, and the jury are not to be allowed to pass upon the verity of those experiences with the ascended masters or divine beings.

Accepting those statements of the Court as the law of the case, the defense has decided to ask Mrs. Ballard no further questions on direct examination. She is the admitted leader of this activity so far as the persons on trial are concerned.

Cross Examination

I did not call myself an accredited messenger of the ascended masters, nor have I ever done so. I am the Mrs. Ballard referred to in the statement in "The Voice" magazine of February 1936, "The Voice of the I Am by the Ascended Masters and their accredited messengers Mr. and Mrs. G. W. Ballard and son Donald." I provided the copy for that magazine under instructions of his Honor, Saint Germain. He so instructed me when he gave permission to have that publication brought forth, which was just previous to its publication in January 1936, I believe. Mr. Ballard and myself were present and it occurred in New York. Saint Germain said that they had considered accepting Mr. Sindelar's offer to bring forth a magazine and that he was going to try it out and he asked me to take the responsibility of proofreading the copy for typographical errors and to put in the instruction of the ascended masters that the students might have it for constant reference. He told me to use

(Testimony of Edna W. Ballard.)

my own judgment in respect to ads and follow my feelings; to do what I thought was right. (Vol. 26, p. 4330) Mr. Ballard first answered. He accepted the responsibility jointly with myself. After we returned to Los Angeles, we had a conversation with Mr. Sindelar and the magazine came out. The first issue was February, 1936. We have continued the heading mentioned above and it appears in every [682] issue. Occasionally at Saint Germain's direction, I write articles for the magazine. The statement in the magazine that it is not an outlet for articles from students, and that it is the outpouring of the help from the ascended masters and has no human concepts in it, refers to private instruction that Saint Germain and other ascended masters gave Mr. Ballard and me many, many, many times when no one was present but ourselves. Everything that has gone into "The Voice" has been at the instruction of Saint Germain or the other ascended masters, privately or in class. It covers everything in the magazines, including the picture of Mr. Ballard which came out right after his death and the advertisements for the phonograph records. Concerning the price of the picture, Saint Germain has left that to that which is fair and just in the business world and asked me to follow that principle of honesty and honor, and I have fulfilled that trust. That applies also to the prices of the books of the Saint Germain Press. The price of 27 cents mentioned by counsel as the cost

(Testimony of Edna W. Ballard.)

of the book "Unveiled Mysteries" does not include the original plating, the original set-up on the first edition which has to be covered by the profit of the other editions that follow. I could not say without consulting the records of the auditors what the original cost was on the first edition. I am president and secretary of the Saint Germain Press and I own all of the stock. I am treasurer of the Saint Germain Foundation. Myself, Louise Majerus and Donald can write checks in the organization, and Betty Munday can write checks in my absence.

The actual printing cost of the music is as stated above, 8.2 of one cent. That does not include the artist's work, which is without value in the outside physical world. That cost is the upkeep and expense of the individual who is on our staff that is the artist that did the work, and that is beyond money and beyond price. We paid her living expenses and traveling expenses, and she is kept on the staff for that purpose alone. I presume that [683] your statement that the cost of "The Magic Presence" to the Saint Germain Press is 34 cents is approximately correct. I believe it sells for $2.75 or $3.00. I presume that your statement that the cost of "I Am Discourses" to the Saint Germain Press is 31 cents and the cost of "The Ascended Master Discourses" 38 cents is correct. I believe the "I Am Discourses" sells for $3.00 or $2.75; the "Ascended Master Discourses," $3.00. The cost of the chart of "Magic Presence" selling for $15.00

(Testimony of Edna W. Ballard.)

is $2.09 without including the cost of the original experimental chart which cost several thousand dollars. We had to experiment with the production of chemically pure colors in order to get the perfection we have attained thus far. The sales price of "Ascended Master Discourses" is exclusive of mailing, for which I presume a charge of 25 cents is made. I think such a charge is made for mailing all of the books. That includes wrapping and insuring the books also. I have received various instructions regarding publication of "The Voice" magazine from the ascended masters on a number of different occasions when they appeared only to me and to Mr. Ballard. Donald was not present at the business conferences. He was occasionally present at others, not many times, he was in school.

I wrote Government's Exhibit 29 at page 23. It was written under the authority of the ascended masters. Saint Germain was in charge of most of my broadcasts. Saint Germain gave me permission to use my own best judgment and to repeat his instruction to us as the student body needed it at his direction. My statement includes the following portion from "The Voice:"

> "Mr. Ballard, our son, and I have stood in the visible, tangible Presence of our Blessed [684] Ascended Master, Saint Germain, many, many times, and in that of many of the other ascended masters. Often when our classes have been in session, Saint Germain has come to us

(Testimony of Edna W. Ballard.)

in his visible, tangible body, and given us further instruction for the carrying on of This Work, which is wholly under his direction."

Saint Germain has been present many, many times when my husband, myself and son were present. I most certainly have shaken hands with him. Donald and my husband have also. I first met Saint Germain after Mr. Ballard returned from Chicago in November 1931. He gave private discourses from the time Mr. Ballard returned. I have known Saint Germain in my theosophical work way back in 1916. The first time I met him in his visible, tangible body was after Mr. Ballard's return, but I have known him before that. We all did in the theosophical society. I first met him in our home in Chicago. Donald and my husband were present at the time. I believe it was just previous to Christmas in 1931. No one else was present.

The adventures set forth in the book "Unveiled Mysteries" are true actual experiences of the persons named in the book. The explanation in the foreword is true and the editor's note was by myself and is true also. The adventures set forth in "Unveiled Mysteries" took place at the times stated in the books. I was in the Great Audience Hall with Saint Germain and Donald when Saint Germain showed me certain beautiful portraits which had been recently transferred from the Temple of Mitla in Oaxaca, Mexico. I never said I was there

(Testimony of Edna W. Ballard.)

in my physical body and the book doesn't say so. I recall being there. One's etheric body is the body in which you go to sleep at night. You cannot go to sleep until your waking [685] senses get into that body, and when they withdraw from your physical body they function in the etheric body; that is where we go during the sleeping hours. We receive instructions at night from the Ascended Ones, or if the individual be discordant, they become the vicious experiences of nightmares and distorted dreams, depending on the individual's predominant consciousness. Whether it be constructive or destructive determines where the etheric body goes when the physical body goes to sleep. I was not in dreamland. There was nothing imaginary about it.

"Lotus" at page 250 of the volume (The Magic Presence) refers to me. "Our son" at that point in the book refers to my son, Donald. "I" refers to Guy Ballard. Donald and I were present in the instance when the words "souls in ecstasy" flashed out above the organ as Saint Germain played the prelude. I very clearly recall the occurrence. Those are inner initiations, Mr. Lazarus, which we earned by service to life through common constructive activity and through many centuries of purity and preparation. When that opportunity is offered, it is a sacred initiation, and through that certain service was rendered to America. Immediately before the experience, the experience had just been

(Testimony of Edna W. Ballard.)

completed of our entering into those bodies that had been maintained there for centuries, and it was in that body that the musical program was played. Immediately before we were shown the portraits, Saint Germain took us into the temple and cleared the atmosphere, because the place had been closed for many centuries; and when he used the violet ray through there it purified the atmosphere before they went in to take the paintings. Those experiences took place ten years ago and I have had many since and I do not always recall in absolute detail on the moment. I do not make conscious effort [686] to memorize everything and retain it. (Tr. Vol. 26, p. 4357)

I went to the Great Audience Chamber under the escort of one of the other ascended masters, the one known as Amen Bey. When we came in, we met Mr. Ballard and Saint Germain. Our joy was very great. We had not been together with Mr. Ballard and Saint Germain on the physical plane for some two years. That reference to the book does not say that it is the physical plane; that meant that Mr. Ballard had not been in Chicago for two years. The statement,

> "Our joy on this occasion was very great, for we had not been together on the physical plane for some two years, and during that time, while working out of the body, each had been occupied with his own individual activ-

(Testimony of Edna W. Ballard.)

ities, which necessitated our being in different channels at the Inner levels.",

does not mean that our joy was very great on that occasion because it was the first time we had been together on the physical plane for two years. It said that we had been working out of our body. It definitely says so there.

The letter from Mr. Ballard, dated September 29, 1930, Government's Exhibit 203, wherein it states: "I hope in the next letter you will have read the manuscript. Can hardly wait for your comment.", referred to the manuscript of "Unveiled Mysteries." That was not the first time that I had been acquainted with what had allegedly happened in these books. When Mr. Ballard states in that letter, "We sure have given some service in this old world of ours. When you read 'Unveiled Mysteries' no wonder I have been so interested in mining this time. If you love the first book, you will worship the second,", he was referring to "The Magic Presence." [687]

I am with the ascended master Mahachohan frequently, the last time being this year. If there was a dictation from Mahachohan at the Washington, D. C. class on May 28, 1939, I had a conversation with them. He dictated I believe on the radio to Mr. Ballard, or through him. (Tr. Vol. 26, p. 4361)

Regarding the statement in "The Voice" maga-

(Testimony of Edna W. Ballard.)

zine of April 1936, Government's Exhibit 12, p. 26, reading,

> "Jesus and Saint Germain have both said that: 'Saint Germain, Myself, or any other Ascended Masters are not giving out teaching of 'I Am' in the Western World, except through Mr. and Mrs. G. W. Ballard and their Son, Donald and those named to them and under them,"

the statement was made by Jesus in one of the discourses already published. I was present at the time. I think if you will look at the bottom of page 7 you will find the quotations in one of the first issues of the magazine. I think it is in the February 1936 issue (Government's Exhibit 10, p. 7). I cannot improve upon the statements in the discourse. The witness thereupon read the following from Exhibit 10:

> "Let no one desire to transcend or replace these Beloved Messengers, in this Light and expression of the 'I Am' that Saint Germain has given forth. They have proven their ability to stand in the Light and with no personal desire, carry unselfishly the Pure Unadulterated Message of the 'Mighty I Am Presence,' and until the Ascended Masters come forth in their tangible, visible bodies, they will remain the Direct Messengers of Saint Germain, Myself, and Others of the Ascended Masters. It

(Testimony of Edna W. Ballard.)

is only through their joyous and [688] willing obedience to our slightest wish, that it has been possible to bring forth this expression and understanding of the 'I Am' in the purity and clearness in which it is expressed today.

"The students will be wise indeed, no matter how great their inspiration, to stand steadfast in their use of 'Unveiled Mysteries,' 'The Magic Presence,' 'The I Am Discourses,' and 'The I Am Adorations and Affirmations,' for those words are cups that carry the fullness of the Ascended Masters' Perfection into the consciousness of the individual; and there is naught else in the outer world today, that will carry this conviction with so great a power." (Tr. Vol. 26, p. 4365)

I remember a conversation between Saint Germain, Donald and myself referring to the subject of cataclysms and his home in the Alps. The date is on the discourse. I do not recall the date. Saint Germain excused himself just before he left and he said, "I know you will pardon me, but I must return to my home in the Alps," and there was some personal conversation there with Donald—I do not recall just exactly the words—but it was to the effect that he was going to the Alps where he also had a retreat as well as here.

It was stipulated that Mrs. Ballard was present at a deposition given by herself and Donald Ballard in the action entitled "Ballard v. Ballard."

(Testimony of Edna W. Ballard.)

The Witness: I received instructions from Saint Germain relative to the business of the Saint Germain Press. The first time was before we published "Unveiled Mysteries," in the latter part of 1933 in Chicago. He asked us to conduct the business in an honorable way, according to the regulation and routine of the generally accepted business conditions of [689] the outer world at the present time. The dollar clear on each book was not as a gift to us. It was the amount of money that went to expand the work and it has been put back into the work as he directed and it was never a personal gift to us. I want to clear that. Approximately 170,000 books of all kinds have been sold up to 1941. We have approximately 3 to 6 million students in the organization now. Since this indictment came up we have almost two-thirds more than we had before. The information comes to us from Saint Germain, some of the ascended ones have given us some, and the general approximation of the results of radio broadcasts as it is generally accepted in the commercial world. Saint Germain told us that 30 and 33⅓ per cent was the limit to be given anybody as the commission for the sales of books and that the greatest opening for book sales is through class work. He said that shortly after "Unveiled Mysteries" came off the press. Mr. Ballard and myself were present. All the money that has come into this movement through the sale of books has gone into the expansion of the work. I do not have

(Testimony of Edna W. Ballard.)

a detailed record of the amount. I do not carry it in my head. We have a regular account kept by auditors.

When we first started this movement and started conducting classes, The Saint Germain Press was a partnership composed of my husband and myself. The corporation was formed in 1939. It is separate from the various groups throughout the country, except for the fact that the groups buy their material from the Saint Germain Press. Most of the groups are self-supporting. Occasionally when the group has had a little struggle, we have sometimes made donations until they got started. I do not recall the amounts specifically, but I have used my own birthday and Christmas gifts to start groups that could not quite carry their own weight in the beginning. [690] I do not recall the amount that has been given, nor to which groups it was given. The radio broadcasts in Los Angeles are not sponsored by the groups, but by myself. Mrs. Zinke has not paid for all of the station time. She has paid for only a portion of it. Outside of Los Angeles the station time has been sponsored by groups in the cities where the transcriptions have been sent forth, in most cases. The money paid by me for broadcasts coming out of Los Angeles is from the profit from books and I return it to the public as blessings through the broadcasts. I do not recall the amount I have paid for this as I do not keep track of it myself. The auditors would know. The

(Testimony of Edna W. Ballard.)

transcriptions for broadcasts throughout the country are leased from my headquarters for $20 a record. Except when they are lost or not returned, they are sent out for about eight or ten playings, then we have to replace the record.

Most of the groups follow the study group outlines or try to. The outlines are purchased from the Saint Germain Press. In some instances the broadcasts that go out through transcription announce coming classes in the city. Announcers from the stations where the transcriptions are played announce the names of the Saint Germain Press books and where they can be purchased. That is done if time permits or time is open for spot announcing. Other money is spent for many, many things that people need that come to my attention. I take care of it and no one knows anything about it. Many times people are ill, they are in need of things that they come to me, and when that need is brought to my attention many times I supply it. We also have given many books. I have paid for books personally myself, the full retail price, and presented those as a gift. The statement (Government's Exhibit 142) containing a report for the Los Angeles class for July 18, 1938 of [691] love gifts in the amount of $12,454.75 is a statement of the gross amount, not the net above expenses. I presume the amount for the sale of books of $14,893.70 is correct, too. If Mrs. Mundy kept those reports, I presume they are correct. The report showing the gifts of two "Unveiled Mysteries," two

(Testimony of Edna W. Ballard.)

"The Magic Presence," two "The I Am Discourses," two "Ascended Master Discourses," two new decree books and 60 magazines, refers to gifts that were given at the book tables. That does not include my personal gifts to individuals. I cannot give you a statement of books given at the class or individuals to whom they were given. I do it at every class.

The statement contained in my letter to Mrs. Kemp, (Government's Exhibit 149), which is

> "I have stated many times that all money coming in belonged to Saint Germain, and would be used for the Expansion of the Light, but there has never been any provision made by him that this money could be used for individuals' personal use."

is correct and there never has been any provision except as I have asked his individual permission when individual cases in need came to my attention. I have asked first whether I should give that assistance or not. When he has instructed yes, I have done so. He has instructed me to give individuals help at intervals. There is scarcely a week or a month goes by that he doesn't tell me to use my own judgment, and if I am in doubt I ask him, and he sees whether the individual is making conscious effort to help carry it or is just lying down and not taking his responsibility. In that case he doesn't let me give the assistance. We are not supposed to remove the responsibility from anyone.

(Testimony of Edna W. Ballard.)

Each one grows by his responsibility and we have to obey that law.

My sole personal income comes from the activity, as well [692] as my son, Donald's. All money that I take in I use in the expansion of the light. I recall writing Government's Exhibit 151 to Donald stating "since you got the car in December, which is five months, you have had $11,000." That money was used in the expansion of the light because that provided a home for the lady he married, and I tried to maintain harmony that they might go forth and render service to the young people, and that was the purpose of it, and that $11,000 was personal gifts to me from the students who had been benefited. Saint Germain has never threatened anybody, for ascended masters do not threaten. I typed Government's Exhibit 183 (letter to Colonel Bailey) bearing the signature of Saint Germain. He spoke the words and I took them down. He told me to tell Colonel Bailey what was in that letter. I was not displeased with Colonel Bailey at the time. It was a matter of the law. Saint Germain stated the law, asked him to obey it, and he did not do so, and that was the result of the disobedience to the law. The statements in the letter to Colonel Bailey are not a threat. That is a warning of love to the student, that he may not go on in misery the next time. It was for the student's own protection. There is no threat in it. It was not a threat to tell Colonel Bailey that

(Testimony of Edna W. Ballard.)

he would be taken out of his body. That is an action of the law. (At this point and for considerable testimony hereinafter, Mr. Lazarus commences reading from various issues of "The Voice" magazine heretofore admitted in evidence.) The discourse wherein it is stated by Saint Germain:

> "It is easy enough to keep out doubt if you do not listen to falsehoods, and every word that is uttered against these Messengers in this work is falsehood. That should be known without anybody telling you. If you listen to it and respond, the penalty is yours. This is definite, very, very definite.",

is not a threat. That is again a statement of reaction [693] of whatever we send out comes back to us, and that is the truth and the law.

I recall the discourse by Saint Germain in Minneapolis, September 11, 1939, as follows:

> "Remember, Beloved Ones, aside from what your outer magnificence service, your G-Men and the Intelligence Department are doing, we do a great many things that none of them know anything about. We have our own means of causing people to disappear."

That is the protection of the individual against his self-destruction. That was the master's discourse of protection. It kept them from doing—I know exactly what it refers to. The Goddess of Justice Discourse, Easter Sunday, in Chicago, April 9, 1939, where it was said:

(Testimony of Edna W. Ballard.)

> "The puny mind of vicious individuals who allow doubt to govern them concerning my words today, I tell you beware! You are dealing with Forces! You are dealing with Power! As your life depends on it, don't go forth from this room, one of you and doubt my words!",

was not a threat. An individual's own energy acts like that if they send forth viciousness. That is a warning of protection to the individual, that if he misuses his own life energy destructively, it is going to come back, and it will react on him; and that was Saint Germain trying to protect the individuals from their own discord.

I was present at the Discourse of the Master Cosmos in Los Angeles on July 22, 1939, wherein it was said:

> "The insane human beings that try to spread doubt concerning the Glory of these Messengers should be shut up forever. They are binding themselves with that to which your prison walls of your [694] earth are no comparison. I warn them this once and for the last time."

That is the way the energy acts upon the individual. What comes out goes back into them, and those students understand the law. He also stated at that time:

> "Whether you believe what I am saying or not, you will find it is true. Dear ones, it is better to have had a rattlesnake woven itself

(Testimony of Edna W. Ballard.)

in among you than the poisonous breath of doubt."

That is the truth of the law. Doubt kills just as sure as bullets, and those are his statements to us frequently.

Mr. Ballard and I have never said personally about ourselves that we were thus and so. The ascended masters have made certain statements regarding our life streams' service to this earth. They alone are the judges of that, but they tell the truth, and I do not doubt them. I was present at the Saint Germain Discourse given in Chicago April 9, 1939, wherein it was said:

"Gentlemen, when somebody says to you that I am not real, ask such a one that question. Then if they say I am not, punch them in the nose.",

but that was not meant literally. He said it in fun, just like anyone would in conversation. They have a very keen sense of humor. They are not long-faced individuals at all. They see the humorous side of life. You would too, if you watched humanity throughout the centuries do the unfortunate things that bind them to misery.

The Mighty Victory gave the discourse including the statement:

"You beloved ones in this vicinity one day you will know what these Precious Messengers have meant to you and your humanity. One

(Testimony of Edna W. Ballard.)

> day you shall [695] know who they are. You do not know yet."

and he is the judge of what he means. I have never even concerned myself with it. Mr. Ballard nor I, neither of us, ever said that we were an ascended master. We never represented from the platform that we were ascended masters.

I did not study Yogiism before I started this activity. I have read literature by Swami Yogananda, but I did not study it. I attended some classes, but I did not take up the inner study of it.

I recall the discourse in Chicago, April 9, 1939, when Saint Germain introduced the Goddess of Justice to the assembled multitude, and I recall Saint Germain saying:

> "Beloved friends and students: Today We start releasing the Almighty Power and Activity of Divine Justice. The Goddess of Justice is here! (Applause—audience rising) Now while you are standing, I am going to say something to you that may sound somewhat startling to the close associates of the Messengers. The body of this Messenger is a part of Myself."

Saint Germain was referring to Mr. Ballard as being a part of Saint Germain's self. The "Lotus" referred to in this discourse, "The body of your beloved Lotus is a part of the Goddess of Justice. The Goddess of Justice is the Feminine Part of

(Testimony of Edna W. Ballard.)

Myself," refers to me. When the Goddess of Justice was introduced during this meeting the Goddess of Justice was giving the dictation, but in the inner work when an ascended master draws a student into certain close asociation with himself, he takes that student into his own aura and from then on that student becomes a part of himself. That is also the condition with the inner work. And from then on the master attunes that student to his own consciousness so that at any [696] time he may reach the individual more quickly than he could if that individual had not had that attunement, because the master clears away a certain amount of the individual's own discord, so that the attunement is kept clear at all times when he chooses to reach them, and that is exactly what that has reference to. This trial is a part of my experiences as a part of the Goddess of Justice in the inner work. I represent the call of the American people for divine justice to worship God as we please, and I shall always stand for that, in my capacity as a messenger for Saint Germain and part of the body of the Goddess of Justices. I have never said I was an accredited messenger. Saint Germain said we were accredited messengers. I am the messenger of Saint Germain and in this capacity as his messenger I am his representative and I have certain authority to say certain things with his permission and I don't say them until I have that permission, and I have never betrayed that trust. It

(Testimony of Edna W. Ballard.)

doesn't make any difference what the world thinks about it. I have given obedience to this law and I shall always do so regardless of any effect on my physical body. (Tr. Vol. 26, p. 4401)

I was present at the discourse August 1, 1937, when Saint Germain said:

> "I say to you, beloved ones who are in the neighborhood of 60 years old, I tell you, any one of you in six weeks can be as strong, firm and active as you were in your fullest youth."

I have tried that every day and am ten times as firm and strong now as in my fullest youth—I am almost 60. [697]

I recall the physical condition of my husband just prior to his death. He was 62 I believe. Regarding your question whether he was as strong and firm as he was in his fullest youth, he had begun to withdraw from the body consciously and at will. The decision had already been made to go on after a certain work was accomplished in Washington, D. C., in 1939. That decision was made and I know when it was made. I know that just prior to the time he died they tapped him to withdraw water from his abdomen. That was a regulation of the medical profession. There is a law that there must be some medical man in attendance. That was his best judgment and I acquiesced in that. I did not know Mr. Ballard was suffering from a degenerative heart condition. He was withdrawing the

(Testimony of Edna W. Ballard.)

energy consciously, and naturally the body would not be as strong as it would when all the energy is in. That went on for weeks before. They withdrew a quart of impure liquid from his body at that time because he had already decided to withdraw, and the body always has that in it when the energy begins to withdraw. There is always a change of chemical reaction when the energy begins to withdraw. He decided to withdraw in October of 1939, shortly before the Cleveland class, he was given his choice. He took his last breath on December 29th in that body and the ascension was completed on December 31, around midnight. It takes three days. The withdrawal commenced in Cleveland and was completed at the Royal Teton on December 31st. The statement made in Government's Exhibit 59, at page 34, "The Inner work of Mr. Ballard's Ascension was completed in Honolulu in 1936, but His Etheric Body did not withdraw until December 29, 1939" is correct. He completed his span of existence in Honolulu and the ascended masters consumed the records of all discord in the etheric body when we were in Honolulu, and then from then on he was living on what Saint Germain called extended time to render [698] further service to the earth until certain other work was completed in America; but the records in the etheric body, all discordant records, had been consumed, and from then on he was free to be given the ascension at any time he chose to go.

(Testimony of Edna W. Ballard.)

He never tried to precipitate to my knowledge. (Tr. Vol. 26, p. 4410.) I did not ask him whether he was able to. Regarding my accomplishment of instantaneous precipitation, I have once at my call to the Presence had the Presence condense into my hands these points of light substance and Mr. Ballard and I examined that under a reading glass for perhaps 20 minutes, and then it disappeared, and I have never tried it from that moment to this, because I am not interested in calling forth those powers of God Almighty for exploitation. There is a great honor that is concerned with the use of those powers of God, and I obey that, and I will never use it for exploitation or selfish purposes, nor to carry the responsibility that others must carry for themselves if they are to be set free.

I recall the dictation in Government's Exhibit 104 regarding Mr. Rayborn's ascension.

I do not know of any individual who has made the effort or call to bring forth precipitation instantly. That is a matter of choice of the individual. I knew that the group leader letter mentioned above and other group leader letters were circulated and sent to groups throughout the country. (Mr. Lazarus read from Government's 104 as follows:)

> "'Today there are approximately forty thousand people among the "I AM" students who are *h*earing the point where they can call forth Precipitation! There is nothing strange about it!'"

(Testimony of Edna W. Ballard.)

I heard the Beloved Eriel deliver the discourse at the Long Beach class of July 23, 1939, including the following:

> "Therefore, beloved ones, know if you have not realized it, to-night, that the Wisdom of those Great Ones [699] is Supreme. These Messengers make no mistakes.!"

I have carried out the ascended master's requests in the carrying forth of this light, and I have not made a mistake, so they have told me from their octave of light. Now, he is speaking from his octave of light, not from this world of human opinion. He has told the truth and I stand in, with, by and for his words for all eternity.

I was present at the Discourse by Jesus on January 1, 1937, when He stated "These beloved messengers have not made one single mistake from the beginning". I did not say it was from the octave of light, but the ascended masters work wholly from the octave of light. They do not work from the human world. He is through with this world. All of His judgments, His consciousness, His instruction, is from His own octave of light, just as yours is from this octave. In my obedience to them at their request, I have tried to fulfill everything they have requested honestly and honorably, and if He said that, it must be so. I am not the judge.

I did not sign a letter to Harry Sieber, dated December 18, 1934. It is signed by my husband. I

(Testimony of Edna W. Ballard.)

typed the letter. I did not discuss the contents. He referred to the originator of that was Saint Germain, because the world has known that from the beginning. Saint Germain is the head of this work. Mr. Ballard and I have said that repeatedly. (Tr. Vol. 26, p. 4416.) The reading in the letter, "We did three years of the hardest work two people ever put in as the first step in establishing this work," with respect to that I do not know who that "we" refers to. It might have referred to he and Saint Germain while he was west having these experiences, or it might have referred to he and me or myself in Chicago after he came back. In either case the work was done.

Love gifts have been sent in for healing that has been received. I recall a discourse by the Goddess of Light, November 12, 1939, wherein it was stated, "Remember, beloved students, many of you have not heard this, but through the call of this beloved messenger [700] alone, Mr. G. W. Ballard, over 20,000 instantaneous healings have been achieved by his call in five years."

The statement by the Mighty Victory at San Diego on January 22, 1939, "There are thousands of people who have been healed at one call of the Messengers," was made in "The Voice" magazine of March 31, 1939, because those are the words of the ascended master and they are true. I know they are true because he said so and the ascended masters never tell an untruth. I know many that have been

(Testimony of Edna W. Ballard.)

healed and the master said that and I rest in that, and it is true. I have given many calls every day of my life since I have understood this law to heal every human being on earth. The student body knows that as well as I do. I know that certain musical compositions are healing, for I did healing work in Chicago after the world war with shell shocked men in my own studio and I know that is a law anybody can operate if you will understand it.

The group leader letter dated January 7, 1938 referring to the fact that certain compositions will heal cancer in an hour and that others will heal the liver, kidneys, lungs, and other organs of the body, does not refer to compositions by me and I didn't particularly testify on cancer. It says there are melodies that can heal within the hour and the ascended masters do know those melodies and they have been used on this earth many times.

In a discourse in Chicago on October 31st, 1939, Jesus said, "In your great love for the messengers, my dear ones, no one could possibly know the service they have rendered and are rendering. The healings that take place at their call every hour of the day, week after week, month after month, these past five years, is unparalleled on this earth. I healed many people, but only a small number in comparison with that which their calls to life and light have caused to take action in the people of America." If He said it, it is true, and I rest in His words. He must have referred to me. I make

(Testimony of Edna W. Ballard.)
calls every hour of the day, sometimes many times an hour. I am making healing calls for the healing of all mankind's discord. That is healing. They are for [701] the healing and annihilation of all poverty from the earth forever and I make that call many times, hundreds of times, a day, for all mankind, and that includes you, too.

I gave to Mr. Sindelar the copy for "The Voice" of November 1938 stating, "These songs both came forth through our Beloved Mr. Guy W. Ballard; both lyrics and music carry tremendous healing power and blessings to all," and that is true. That refers to the songs, "Rainbow Rays" and "Rose of Light". I know myself of a person who has been healed by "Rainbow Rays". I put that record on the phonograph and if I am tired or under tension, I can get relaxation from it and there is more harmony afterwards than there was before. I many times have relaxed the entire body and established harmony within, and harmony is healing. I recall Saint Germain saying at a discourse given on January 24, 1937, "Now I tell you frankly when you feel the slightest touch of cold, rise up and say in the full consciousness of your Presence, 'I will not have that, Mighty I Am Presence. Take it out of me. Cause and effect. Fill me with your health, strength, energy, and stop this nonsense.' Dear hearts, you can dismiss it in just a few minutes. If you do this a few times, you would stop that habit from acting in you and you would feel your ability

(Testimony of Edna W. Ballard.)

to control such conditions completely. You will dismiss it at once and not have to go through several days of such experience." I have not taken what you call medicines. I merely take that which helps to keep the body clean and the ascended masters have said always if it is necessary to have some physical assistance to establish harmony quickly in the body, to do that and then go on with your calls so your healing will be permanent, because if you put food into the body physically and that creates discord or causes chemical changes in the body that produce distress, then if the individual has the feeling that something physical will help to establish harmony, the [702] ascended masters have said, do that which established harmony. Go on and make your call so that you do not have to do it again in the future. I am not referring to laxatives. Plenty of water will do that. Plenty of good fruit will do. I presume Mr. Ballard took a laxative prior to his death. Mr. Crouse was with him most of the time. The withdrawal of energy which I mentioned begins many times before what you call death takes place, before the cord within the heart, the life stream, is disconnected from the heart. They begin to draw out the energy of the body gradually, sometimes weeks or months ahead of that moment when so-called death ensues when the cord is disconnected, and no one in the outer world, not even medical science, has any definite proof of when that cord disconnectes. What is commonly referred to as

(Testimony of Edna W. Ballard.)

death, we call the withdrawal of the life energy. You do not necessarily know when you are going to die, although you can know. That is a matter of choice. If the individual wants to know then the higher mental body and the ascended masters will reveal that; if the individual does not want to know, the knowledge is withheld, because the free will of the individual is paramount always.

Mr. Ballard knew when he was going to die and he knew because Saint Germain was with us at the dictation in October 1939 when he gave us the choice of whether we chose to render the service here longer or whether he wanted to go into that octave and work with him. Mr. Ballard chose to go there and I chose to remain here, of our own free will. He said there was certain work to be completed for America, and when that work was completed, the work of withdrawing would take place. During that time there was being removed from the United States of America the discarnate entities that have been in the atmosphere of the earth for centuries and also the discordantly qualified substance that was in the atmosphere of [703] the United States of America; and that has been withdrawn for the purpose of protecting the American people to keep wholesale slaughter of war from this country. When Mr. Ballard finished the class in Washington, D. C., he said publicly to the class, "Goodby, old earth. Goodby, old world. Saint Germain, give me my outer body and sword of blue

(Testimony of Edna W. Ballard.)

flame and let me go forth and slay the destructive forces." That is not in the publications, but every student in the class heard it.

Saint Germain did not tell me the number of discarnate entities which were removed for the protection of America, but he did say this: that up until the time they began to remove them they were as thick as the atmosphere of thickly populated cities as a heavily crowded dance floor. That was what mankind was struggling under and many times individuals did very destructive things, not from their own impulses but from some discarnate in their own atmosphere that had hovered around, and the individuals, not knowing, had become unknowingly a tool to carry out their destruction. (Tr. Vol. 26, p. 4431, 4432.)

Exception No. 85

Mr. Lazarus: Have you ever read Grimm's Fairy Tales, Mrs. Ballard?

The Witness: No, I haven't, but there are great inner laws governing these things, Mr. Lazarus, and mankind knows very little of the rest of this magnificent universe that is around us.

A discarnate entity is like a human being, simply a human being without the physical form. It is functioning within the emotional body. They have the same desires that they have here. They cannot become angels in a moment.

When people pass out of physical bodies, indi-

(Testimony of Edna W. Ballard.)

viduals who have been discarnate, they still have the same destructive desires and habits, and the energy of their lifestream is still discordantly disqualified, and that functions in either the [704] etheric or the emotional body. They hover in the atmosphere of the earth because they cannot get out of the atmosphere of the earth. That energy was dicordantly disqualified here in the physical experience and it has to be purified here in the physical octave. That energy, when it comes into human beings, is constructive, and if individuals requalify that, then they must take that back into themselves again and again and again until they purify it and return it to life as they received it from life, and that is the universal law of light energy and vibration and no unascended being changes it. I have seen a discarnate entity. They are not allowed to remain in the United States of America since that was done. They are taken immediately. I was with the Archangel Michael when the occurrence mentioned in the discourse, "Over 400,000 discarnate entities will be removed from the City of Philadelphia tonight," (this referred to an event bearing date of November 15, 1938), took place, because I loved him and I have served him for many centuries. What occurred was merely that the ascended beings, when they remove those discarnate entities, threw around them their own flame of divine love and quiet the vicious impulses and take them higher up into the atmosphere of earth where the de-

(Testimony of Edna W. Ballard.)

structive impulses are leashed until they can be taught the law.

I recall the discourse when Saint Germain in October, 1936 said, "The last of the powerful black magicians has been seized, bound and taken from the activity of the earth forever", and when he said in Philadelphia on November 15, 1938, "Five of the black magicians who remained in America have been seized tonight with these entities." The former quotation says, "The last of the powerful black magicians." There were a few who were much more powerful than the others, and the school of nearly 300 of them that was in South America was broken up, and the second quotation has reference to those who are not the powerful ones. [705] There were those who were more powerful and directed the lesser ones. There is no discrepancy in this law. That is due to lack of understanding of the ascended master law. (Tr. Vol. 26, p. 4435.)

Saint Germain said on August 22, 1932, "You can just as easily find $10,000 in your pocket as 10 cents," but I have not been interested in trying that. I have been giving obedience to the law, not desiring its manifestations.

As the letter (Government's Exhibit 189) to Mrs. Fowler indicates, I knew that Mrs. Fowler was giving decrees from her own decree book, then having the students follow repeating the phrase, and I wrote to her that the decrees would have to be repeated the way the rest of the country was doing,

(Testimony of Edna W. Ballard.)

that they were not to be repeated phrase by phrase, but in unison at a rapid tempo. Saint Germain told me that all students must repeat these decrees in unison rather than phrase by phrase, because it saves time and enables the activity to be uniform all over the country and the accumulated energy is much more concentrated. The sale of decrees has nothing to do with it. That is your interpretation, Mr. Lazarus.

Saint Germain did not tell us to bill Mrs. Delfosse for the lease of records. He doesn't come and tell us to send out every bill to every individual person. That was part of the business activity that he asked us to carry on according to general business custom. Mr. Dahl was engaged to carry that out, which he did. They had broadcasts for nearly two years. Saint Germain told us, as stated in Exhibit 17, the hours for the broadcast because at the hour mentioned he was pouring out certain radiations. When those broadcasts went over, at the inner level, they amplify that to give assistance to all those who are harmonious and receptive and really want it.

Concerning the statement by Saint Germain to the people on August 1, 1937, at San Francisco,

[706]

> "You have not *know* it, but before the messengers came, your city was in great danger. We knowing it, timed the class here with direct intent, feeling confident that we could give the

(Testimony of Edna W. Ballard.)

protection and the assistance which was necessary, and it has been done,"

I do not believe that I saved the City of San Francisco at that time, but I know what took place and I know the ascended masters did it. They released the pressure of the gas belt under this western coast, released it out under the ocean, and they have to call on mankind to do that. Their obligation to this earth is finished, and through the call of the student body, while our attention was on them, they released the power that released the pressure of that energy out into the ocean. Those gas belts are all over the world. The ascended masters have saved the east coast through our call for that protection.

I know that the statement by Saint Germain, Exhibit 121, as follows, is true:

"It will not be possible for the beloved messengers to return to Chicago for the holidays as their presence here in the East is imperative to prevent great destruction from the activity of the gas belt underlying the eastern coast. Since they came to Boston and Philadelphia much destructive activity has been averted."

But that was not myself who did that. That power is in the hands and direction and under the control of the ascended masters. We were on the east coast to draw the attention of the people to the ascended masters and to make the call. If you

(Testimony of Edna W. Ballard.)

would check the seismograph readings of the gas belts, the earthquakes over the whole world for the last three years, you will see increasing earthquakes in every country of the world; and the U. S. Geodetic [707] Survey, their own records, prove what has been said. The bed of the Pacific Ocean has been rising over the last 10 years, and certain portions at the rate of a foot and a half a week. There is a scientific basis for our belief and truth of what these ascended ones have said, and that is why this gives the truth, and I stand in, with, by, and for everything the ascended masters say. (Tr. Vol. 26, p. 4442.)

Exception No. 86

Mr. Lazarus: Mrs. Ballard, were you around San Francisco during the earthquake in 1904? (This was later corrected to April 1906.)

A. No, I was not.

Mr. Cannon: That is objected to as being beyond the indictment.

The Witness: I do not mean to say the disincarnate entities are by any means the cause of all sickness, disease and insanity.

I don't think I typed Government's Exhibit 209. Saint Germain told Mr. Ballard and myself to keep everything on a cash basis because it would make for a more harmonious relationship and we could give prices to the public. The letters addressed to Miss Killen, part of Government's Exhibit 119,

(Testimony of Edna W. Ballard.)

seem to be those that I typed on my typewriter. I recall typing the portion reading, "There is no question in my mind that you are the right one to have a life income in financing the putting out of the books." Miss Killen had asked Mr. Ballard not to accept money for the publication of the books from anyone else without giving her first choice. She said that in her gratitude for Mr. Ballard's having healed her while she was very ill in Denver, she wanted to be the one who furnished the money to publish the first book, and Mr. Ballard said in such case he wanted her to have a life income from it. When we got ready to publish the book we notified her accordingly, but she didn't have the money at that time and she [708] was not the one who supplied it. It came through another individual.

We stated, "I am enclosing discourse of October 27, 1932, another marvel. I am feeling that $3,000 here in our hands in use now," because that is what Mr. Ballard and I were doing. Saint Germain had asked us to visualize it and then leave it with the Presence as to what channel it was to come through. That has always been the law, and we have given obedience to it. We didn't precipitate the money beceause Saint Germain said that mankind had bound themselves by their own misuse of life energy and they had to make conscious effort to free themselves by the understanding and application of this law, and the great law of life, the

(Testimony of Edna W. Ballard.)

law of balance does not permit one individual to use these transcendent powers to remove the responsibility of mankind for their misdeeds of the past. Saint Germain said in the beginning, "I could flood this room with money with one waive of my hand, but if I did and you put the book out that way, you would be no nearer mastery, and I am here to help set you free and you must do that by your own self-conscious effort to obey the law of life and gain your freedom." That is the law for all mankind. There are great inner laws governing the use of these powers, and I have not disobeyed them, and would not.

When I stated (in the letter to Miss Killen), "If you thought the manuscript wonderful before, you certainly would think them marvelous since the elaboration," I referred to certain other instructions which Saint Germain asked us to include, one of which is a letter from the Lady Master Nada on service.

Redirect Examination

I recall the testimony of Mrs. Meyer to the effect that Mrs. Mundy had told her that when the car broke down on a return trip from Arrowhead that I had written two discourses for the next two numbers of "The Voice". It is true that the car did break down [709] returning from Arrowhead and I did some writing, but I did not write the next discourses for "The Voice". The only thing I wrote was one verse to our adoration, the sonnet to Kuma-

(Testimony of Edna W. Ballard.)

rah. It would have been a physical impossibility to have written sixty pages of copy in the 45 minutes wait that was entailed.

The Jesus Discourse on Mt. Olive, dated January 10, 1937, Exhibit 141, is in my handwriting. The corrections are in my handwriting. It was taken stenographically by a lady who did not do the general stenographic work in taking down the dictation. Mrs. Mundy usually took the dictations. When the young lady gave me the transcription of her notes, I checked them with Mr. Ballard and Saint Germain and these are the corrections. Even with Mrs. Mundy, in cases I felt that the transcription was not correct, I have checked with Mr. Ballard and Saint Germain. I have never myself taken the responsibility of making changes. I checked it either with Saint Germain or Jesus, whichever discourse it was. I remember checking this particular discourse one evening when Jesus and Saint Germain both came for a radiation that was much needed for the benefit of the staff. People who were not accustomed to the radiation of the ascended ones and the demands of our work were not able to hold the harmony that was required to enable this work to go forward. So many times, the ascended masters came to give the radiation of peace and harmony to still disturbed feelings. That was the reason they gave staff dictations. On this occasion Saint Germain came first and said that Jesus would be there in a few minutes and

(Testimony of Edna W. Ballard.)

then He must leave. Then Jesus came. He told me to correct the grammatical construction of "some day I use this opportunity" to "do I use this opportunity".

Juror Darsie asked Mrs. Ballard if she was the only person who was authorized, whom Jesus appeared and talked to. Upon objection, the Court restated the question as follows: [710]

The Court: I will ask this witness for you if she knows of any other person to whom Jesus has appeared.

The witness replied, "Why, yes. Jesus has come to thousands of people. I know personally several to whom He has come, business men of importance, to whom He has come many times in great crises.

Juror Darsie then asked whether Saint Germain did the same thing and the witness replied, "Not in regard to the I Am instruction, but he has come to many throughout the world over the last 100 years.

Juror Barton then asked if before this she had been a theosophist, to which the witness replied, "Yes", and then in reply to the question from the juror if she had been a follower of Annie Besant, she replied, "No, Madam Blavatsky," that she belonged to the original Blavatsky lodge in Chicago.

Further Cross Examination

Jesus and Saint Germain said "Saint Germain, Myself, or any other ascended masters are not giv-

(Testimony of Edna W. Ballard.)

ing out teaching of the 'I AM' in the Western World, except through Mr. and Mrs. G. W. Ballard and their Son, Donald, and those named to them and under them." [711]

WILLIAM F. CALLAHAN

was called as a witness in behalf of the Defendants, and testified as follows:

I have been a Post Office Inspector since July 1, 1937. I live at Washington, D. C. I did not have in my possession the books of the Saint Germain Society from August, 1940 to April, 1941. I could have had access to them. They were in the possession of auditors from the FBI. I never made an examination of what the FBI agents had. The books of the Saint Germain Press were never turned over to me. I never made an examination of the books and records of Donnelly & Company who publish the books of the Saint Germain Press. I went to Donnelly & Company in Chicago and told them that I wanted to get the records on the books which had been published. They agreed to send the records out here, which they subsequently did. These records were immediately turned over to the FBI. I never made an examination of them. I don't recall that I ever saw the FBI's report, although I wouldn't say I didn't.

I know the Miss McGinniss, formerly employed

(Testimony of William F. Callahan.)

by the Saint Germain Press. I discussed these books and records with her in Los Angeles. I haven't seen her since the last trial was completed.

Cross Examination

I understood the Saint Germain Press had existed as a partnership before its incorporation, and I further know that you, Mr. Neukom, stated to me that you couldn't subpoena anything but the corporate records. I do not know whether or not the Government got all the books and records of the Saint Germain Corporation.

It was stipulated that the Government, in April (1941), returned the books and records of the Saint Germain Press that were subpoenaed at the previous trial. [712]

Redirect Examination

I was not in Chicago at the time of Miss Majerus' arrest. I have no personal knowledge concerning her arrest. Sometime after the arrest, prior to the first trial, I saw the personal books of Mrs. Ballard in Los Angeles. As to whether they were in possession of the Government in Chicago, I do not know.

Recross Examination

The books I referred to were not books of account. The books I saw were Spalding's books (on theosophy). I saw about 20 or 30 metaphysical and theosophical books, books of various types, no account books. I never saw any books or ledgers.

(Testimony of William F. Callahan.)

or bookkeeping books of the Ballards while they were under a partnership.

Redirect Examination

I don't know how the Government got those books.

LOUISE MAJERUS

was called as a witness in behalf of the Defendants, and testified as follows:

I am one of the defendants. I live in Chicago. I think I met Mrs. Ballard in 1925 or 1926, at Brentano's Bookstore in Chicago. At that time I was employed in charge of the foreign department. Later, I helped out in the metaphysical or philosophy department. I first started to work for the Saint Germain Press on January 13, 1935. I am still employed by it at a salary of $125. per month. That is the highest salary they ever paid me. Before that I received $100 a month. In addition to that, for the last couple of years I have lived in Mrs. Ballard's home in Chicago.

I had nothing to do with the bookkeeping. Miss McGinniss was the bookkeeper. Letters would come in asking for information. Books were ordered, and I would take care of things like that. I was told at the beginning to keep everything on a cash basis. Those were Saint Germain's instructions to his [713] messengers, that is, I was told that that

(Testimony of Louise Majerus.)

was Saint Germain's instruction. For about a year we had to extend credit to some people because they were reluctant to pay on a cash basis. It was rather unusual in the business world, but in 1936 everything was put on a cash basis, with the exception of a few customers such as Brentano's, because their credit was good and they were prompt in remitting. The printing work was done by R. R. Donnelly & Company or the Lake side Press. We paid for the printing in advance.

I know Mrs. Ferguson who testified. I am not, and never was a member of the staff. I did not travel around with Mrs. Ballard in connection with the classes. I attended classes, however, conducted by the Ballards, but not the entire classes, just a few meetings. Outside of Chicago, I have attended them in Philadelphia, Kansas City, New York, St. Louis, and Minneapolis. On these occasions, I paid my own personal expenses.

I did not have the conversation with Mrs. Hill at her husband's restaurant in Chicago that she testified to relative to drawing her money out of the bank because a cataclysm was imminent, but I have often had conversations with Mrs. Hill at her restaurant in Chicago and I recall one conversation in which she said she had had a dream about a cataclysm. She was quite upset about it, so I tried to impart the law to her and explain what the law really was and that Saint Germain always said that a cataclysm is inevitable but we should keep

(Testimony of Louise Majerus.)

our minds off of it and live a normal life and get rid of fears and then when we meet the things, you will be able to cope with them. That is what I tried to impress upon Mrs. Hill in her own place of business.

I never had any financial interest in the Saint Germain Press or the Saint Germain Foundation. I never made the statements attributed to me by Muriel Bliss to the effect that in [714] response to a statement by Mrs. Bliss that Mrs. Ballard had asked her to call me for certain instructions and that that made my position higher than hers, I replied, "With Saint Germain my position is higher than yours. My position is above that in authority of the appointed messengers." Such a conversation did not take place. I could not be asked to instruct Mrs. Bliss on anything, because no student instructs, only the Ascended Masters instruct. However, Mrs. Ballard might have asked me to give Mrs. Bliss certain information, as I was in touch with Mrs. Ballard very frequently. That may have been the reason why Mrs. Ballard asked her to instruct me about certain things. (Tr. Vol. 26, p. 4484.) Mrs. Bliss had a feeling about her authority and she tried to stress it at that time. There is no authority excepting the Mighty I Am, and every real student knows that.

Cross Examination

I never got instructions from Mrs. Ballard to give because I know the instructions are all in the

(Testimony of Louise Majerus.)

Mighty I Am through the messengers. I might have given information at the request of Mrs. Ballard. For instance, Mrs. Ballard might tell me to tell Mrs. Bliss when she could see Mrs. Bliss.

I have authority to draw checks on the Saint Germain Press, also on the Saint Germain Foundation. I do so when necessary.

I had been in the book selling business for ten years before entering the Ballard organization. I would not say that I advised the Ballards on how best to sell books, but I had certain information about the current ways of dealing in the book business and told them, for instance, that if they gave the Sun Publishing Company fifty percent, that the Sun Publishing Company would in turn sell to the other dealers for 33⅓% per cent, take the override themselves, and hence the Saint Germain Press would lose that business which they should rightfully have. Mr. Sieber [715] had promised certain discounts to various people. I didn't know him at the time but he was informed that Saint Germain's work was to give only thirty per cent to all dealers, libraries and later on group leaders. He promised a larger discount and I met up with that condition with the Sun Publishing Company. I don't believe that the Ballards knew the condition, so I brought it to their attention. In this letter, I stated that if they allowed the Sun Publishing Company more than 33⅓% per cent, in time all of the wholesale business would go into their hands.

(Testimony of Louise Majerus.)

During five years I received $20 in love gifts. Mrs. Ballard did not have to give me a hundred dollars every once in a while. I have my money and my income from the Saint Germain Press. Mr. Ballard never gave me money. The Saint Germain Press doesn't print the books. They get them, that is, the I Am Discourses, I Am Decrees, the loose-leaf books, the song sheets, and everything, and ship them out. We never shipped anything without receiving payment, with very few exceptions. Sometimes, of course, we would ship without receiving the money ahead of time, but that would usually be when we would be advised that the money was on the way.

We made a few gifts occasionally, but very rarely, because the students who didn't have the books contacted them in the classes, but whenever they would ask for some, Mrs. Ballard had instructed us to give them the books. I don't recall of any particular occasion where we gave out books free.

I believe that there was published in one of the 1936 magazines a statement to the effect that Saint Germain said we should take our minds off of cataclysms. If I locate this reference I will let you know tomorrow morning.

I did not see Guy W. Ballard frequently from November 1931 until the time he left Chicago to go on the road. I did not see him in November of 1931. The first time I had any conversation [716] with Mr. and Mrs. Ballard relative to the I Am

(Testimony of Louise Majerus.)

activity was in 1933. Prior to that time I had seen Mr. Ballard in his home at the time when I met Mr. Stickell for the first time, too. I believe that was between Christmas of 1932 and January of 1933. That is the first time I met Mr. Ballard.

BETTY O. MUNDY

was called as a witness in behalf of the Defendants, and testified as follows:

I live in Chicago and I am a defendant in this case. I heard the testimony of Mrs. Meyer relative to the conversation that she said she had with me about the trip that I had with Mrs. Ballard from Arrowhead to Los Angeles. I did not state to Mrs. Meyer in any such conversation, directly or indirectly, or in substance or effect, that Mrs. Ballard had during the car's breakdown written the next two discourses for the next two numbers of "The Voice". I think it was in June of 1937 that we had this breakdown on the way back from Arrowhead. I remember we were getting off the July and August issues of "The Voice."

(Mr. Cannon stated that Miss Majerus, the evening before, had been asked to produce documents respecting cataclysms. He stated that Miss Majerus had produced them and referred to the July 1936 issue of "The Voice", Government's Exhibit 15.

(Testimony of Betty O. Mundy.)

p. 9, and the September 1936 issue of "The Voice", Exhibit 17, p. 5).

I don't recall the conversation as testified to by Pat Crouse as having occurred in about December of 1938 between Mrs. Ballard, myself and Mr. Crouse, to the effect that I stated to Mrs. Ballard that I could not understand why discourses that were given to me by Mr. Ballard had to be corrected for grammatical errors or rearrangement of sentences.

After the various classes that were held throughout the country I made reports to the Saint Germain Press of love gifts and books disposed of. Thereafter, I went to Chicago, inspected [717] the books and found these reports entered therein.

Cross Examination

The information that I supplied in these reports came from information that I took down at the classes.

It was stipulated as follows: That Defendants' Exhibits A, B, C, D, F, G, I, K, N, O, P, T, EE, FF, FFF, GGG, HHH, III, JJJ and KKK for identification were received in evidence under the same respective letters;

That Defendants' Exhibits CC and DD for identification were not received in evidence except as to the portions that were actually read into evidence;

That Exhibit KK in evidence be stricken;

That Exhibits P, KK, BBB, CCC and DDD are not to be received in evidence.

The defendants rested.

GOVERNMENT'S REBUTTAL

ETHEL S. ADAMS

was called as a witness in behalf of the Government in rebuttal, and testified as follows:

I live in Lynwood, California. I first attended a meeting conducted by the Ballards either in 1934 or 1935 in a hall above the Figueroa Playhouse. Mr. and Mrs. and Donald Ballard were on the platform. I didn't see an announcer before the Ballards came out.

Exception No. 87.

Over the objection of defendants that the evidence offered was not rebuttal but should have been put into the evidence as part of the case in chief, to which exception was taken and allowed, the witness was permitted to testify.

The Ballards, Mr. and Mrs., told us that we would receive in proportion to what we gave, so we should give freely so we could expect to receive freely. Boxes or baskets were passed through the audience. The Ballards stated when the baskets were passed that no one in the room would know whether or [718] not we gave any money for the support of the I Am movement but that the Ascended Masters would know and that we would be rewarded in kind and with interest. Later, I attended a meeting in the Trinity Auditorium in 1935 or 1936, and the Ballards, Mr. and Mrs., stated that in order to purify

(Testimony of Ethel S. Adams.)

our physical being and to make it possible for us not to have to come back in physical body through another life that we would have to get an understanding of the I Am work through their current publication "Unveiled Mysteries". At that time there was an announcer who made most of the references to the love gifts and the use and obtaining of the books, and Mr. Gysi announced most of the meetings at that place. In 1937, I attended meetings at the Shrine Auditorium. They were conducted by Mr. and Mrs. Ballard, and Donald was present. Love gift baskets were not passed around. There were love gift boxes at the Shrine Auditorium, numerous ones—more than a dozen. They were placed in the foyer of the auditorium.

Exception No. 88

Over the objection of the defendants on the ground that it was not rebuttal, subject to the limitation that the testimony was allowed for the limited purpose of refuting testimony to the effect that Mrs. Ballard had stated on occasions, "Don't believe us, but prove us", the witness was permitted to testify as follows:

At a meeting in the Shrine Auditorium in July of 1938, Mrs. Ballard stated, "Dear people, I am going to give you a scolding. Many rumors are coming in to us of criticism of us and what we are getting out of this work. We are getting tired and sick of it." She pounded the desk with her fist and said, "We

(Testimony of Ethel S. Adams.)

are not going to stand for any more of it. If there is anybody—if there is anybody within the sound of my voice who dares to criticize us or this work, they might never have been born and the [719] time will come when they will wish that they never had been. We are eating the meal. The pie is good and we like it."

An exception was allowed.

Cross Examination

I had quit the movement before this last episode I recited as having occurred in 1938. I quit the movement in the spring of 1937. I was there because my sister was still in the meeting, still a member of the organization, and it was making a great deal of trouble in our family. I went there to keep my finger on the pulse of the thing in order to try to help my sister. I didn't necessarily go there in the spirit of criticism, I was still open-minded to be convinced if they had anything with which to convince me. I had been a member. I had paid my money in and I had a card with a number on to admit me to what were called the private sessions at the end of the classes. No, I didn't get into this particular meeting on this membership card. No cards were required at that time. After hearing Mrs. Ballard make that statement I told it to my husband who was sitting beside me at the meeting. Yes, he heard it but I repeated it so that it would never leave my memory. No, not so that

(Testimony of Ethel S. Adams.)

I would be able to use it in the future, it was because I was amazed. I wanted to talk to my sister about it, that was the only reason I kept it in mind.

I was not subpoenaed to testify in this case. I volunteered. I first told the prosecution about it after the second case was called. It was a number of months ago that I went to the FBI and told them about it. Last week I approached Mr. Lazarus in the hall and told him I knew something about the case. I told him what was being said on the stand was untrue in certain cases. Then this morning I told him for the first time what I would testify to. I had told the same thing however to the man in the office of the FBI. My husband is an accountant. [720] He was never a member of the I Am movement. When I heard the Ballards say that if one gave they would receive in proportion, I believed it and gave in the belief that I would get back in kind —more than I gave, with interest.

The Government rested.

Exception No. 89

Defendants moved to strike the testimony of the witness, Mrs. Ethel S. Adams, on the ground that the testimony was a part of the case in chief and not rebuttal, which was denied and exception allowed.

Exception No. 90

In addition, Defendants renewed their motion to strike certain testimony of the other witnesses, as made at the time of the conclusion of the Government's case, upon the same ground as theretofore urged. The motion was denied and exception allowed.

Exception No. 91

Thereupon, motion was made by the Defendants, and each of them, to dismiss upon the grounds, and for the reasons given at the outset of the case, and by way of demurrer to the indictment, and by way of the motion for dismissal at the conclusion of the Government's case, and for the reasons heretofore assigned. In addition, motion was made in behalf of the defendants, and each of them, for the direction of a verdict of acquittal, for the reasons heretofore assigned. Said motions were denied and exceptions allowed. [721]

Exception No. 92

Counsel for the Government, over the objection of defendants that the argument was erroneous, were permitted to attack the defendants, Mrs. Edna W. Ballard and Donald Ballard, by the use of uncomplimentary comparisons.

Upon the making of such erroneous argument, counsel for the defendants objected as follows:

"Mr. Lazarus: The Government claims in this case though, gentlemen, that this Ballard racket, as we might refer to it now in argument, is a flim flam

scheme that has been unparalleled in history. These defendants here have been the most successful fakers in the knowledge of the history of fakery, and I think that is a tribute to the principal organizer, Edna W. Ballard. We will go into that more later, however.

"The indictment in this case charges the defendants in eleven substantive counts, one of which has been dismissed by the Court for a technical reason. These six named defendants were charged with mail fraud to induce the purchase of books, magazines, pictures, et cetera. And inducing money and other things of value to the defendants from many persons, some of whom appeared here in court as Government witnesses.

"Mr. Peterson: Excuse me, Mr. Lazarus. I want to assign the remark of Mr. Lazarus referring to these defendants as fakers as error, and I ask the Court to instruct the jury that that remark should be disregarded. I don't think it is proper. 'Flim flam fakers' I believe was the expression used. I think it is improper and we cite it as misconduct.

"The Court: Do I understand, counsel for the defense, that the Government cannot designate that, in his opinion, characterizes the actions of the defendants?

"Mr. Peterson: No, I am just objecting to the use of the language, if the Court please. I don't think it is proper.[722].

"The Court: If the Court sustains that, then throughout all the argument we would have to sus-

tain any reference to these defendants except as the defense wants them described.

"Mr. Peterson: No. I merely objected to the use of the language. They are defendants here charged with a criminal offense. I objected to that language. I don't think it is proper. I don't want to argue it.

"The Court: I take it if I sustain this objection and instruct the jury as counsel requests, hereafter the Government would be stopped from making any reference to these defendants except in complimentary terms?

"Mr. Peterson: No, not at all. I am merely objecting to the use of that one word. I think it is improper. I don't like to object. In fact, I very seldom do that. I just don't like to do it, but I do think that is improper.

"The Court: Gentlemen of the jury, you are the sole judges of the facts in this case. On either side I am going to permit fullest argument and that is why I permitted the fixing the length of the argument so it can be thoroughly argued to the jury. You have listened to the evidence, and I again instruct you now to disregard any statements made by counsel on either side which you think in your best judgment have no foundation in fact from the evidence. In the heat of argument on both sides counsel will probably make remarks that do not fully conform to the evidence. Lawyers will do that, and even individuals will do that in the heat of argument. I just give you that general caution, and I think with the good sense and intelligence of

the jury, if you find that extreme or extraordinary statements have been made, that you will disregard those statements and only pass judgment upon the evidence as interpreted by counsel.

"Proceed."

Full argument of counsel for the Government and counsel for the defendants is as follows: [723]

OPENING ARGUMENT OF THE GOVERNMENT

Mr. Lazarus: May it please the Court, and gentlemen of the jury: Eight weeks ago today this case started. You gentlemen have been very patient in listening to the evidence presented both by th prosecution and by the defense, and for your patience in this case the Government wishes to thank you. We recognize that it hasn't been an easy thing to give your attention to a case of this type during this long period of time, particularly in view of the fact there have been momentous happenings both in this country and abroad. Since the case started we have become involved in a great war, probably the greatest war in history. We turn back the pages of history when we consider the evidence in this case when we have to do with carnate and discarnate entities, the ascended masters, K-17 of the secret service, precipitation and various things of that sort. In a sense, the trial seems inconsequential and almost not worthy of consideration, but I believe you gentlemen of the jury are aware of the

fact, as we of the Government are aware, that it is your duty, not merely your duty but also your privilege to stay here in a Federal Court, pay attention to the evidence as it is presented both by the Government and by the defense, and in that way protect one of two things: Either protect your fellow-citizens from being defrauded by charlatans and fakers of various descriptions, or prevent the individual rights of the defendants here in court from being infringed upon. You gentlemen of the jury have that duty to your country and it is a duty that you can carry out just as well as though you were fighting in the front line trenches over in the Philippines. [724]

. . You have to realize, and I think you do, that this case is not the case of the United States Attorneys v. Edna W. Ballard and the other defendants. The Government's job in the prosecution of this case is complete when we presented the evidence to you as fairly, yet as strenuously, as we can. We have attempted throughout this trial to be fair in the presentation of the evidence. The verdict that you gentlemen agree upon is no concern of the United States Attorney's Office. Our concern is to present the cases after the grand jury determines that there is reasonable grounds for having a petit jury determine the guilt or innocence of the defendants in this case, and that is what we have done here. The rest is up to you gentlemen. You have to determine whether you want these defendants punished for what the Government claims they have done, or

whether you want them to continue as they have continued in the past without any punishment whatsoever. If you feel that they are not guilty, we of the prosecution ask that you find them not guilty, and thus allow them to continue in the future as they have in the past.

Now, we also wish to thank the Court for the impartial and fair manner in which this case has been presided over. The rulings of the Court, I feel, have been fair to the Government and to the defense, and I know that all present here wish to join the prosecution in their appreciation to the Court.

The Court's duty in this particular case possibly hasn't been—although it has been a difficult task in view of the nature of the case—possibly hasn't been quite as difficult as it might be under other circumstances. Occasionally we find indigent defendants coming before the court who cannot afford to be properly represented in court. Then it devolves more upon the court to protect the rights of the defendants than it does in this particular case. The Court here protects the rights, but the Court has very ably assistance in counsel for the defense.

Mr. David Cannon and Mr. Ames Peterson are former Assistant [725] United States Attorneys. Many, many years ago—not trying to make you appear ancient, gentlemen—but many years ago Mr. Peterson and Mr. Cannon were former Assistant United States Attorneys, and they learned, as they say, the ropes in trying criminal fraud cases. The

defense has the benefit of their advice and the defense, of course, should be ably represented.

Mr. W. I. Gilbert is a very able head of one of Los Angeles' leading law firms and is well versed in cases of this type.

Mr. Donnelly has interested himself as counsel in over 200 fraud cases. He is a member of the firm of Nash & Donnelly of Chicago. I believe you gentlemen will remember that in the interview of Mrs. Ballard, which was played here in court on transcription at the very start, Mrs. Ballard made the statement, "Mr. Nash and Judge Donnelly have guided us from the beginning. Judge Donnelly is the man who wrote your present law under which you are making this investigation."

Now, Judge Donnelly also is a member of that same firm of which Mr. Donnelly represents. That firm is nationally known as the leading law concern in the country in fraud cases. So the defendants, of course, have the benefit of the advice of one of the members of that very leading firm. Both Mr. Nash and Judge Donnelly were head attorneys, Solicitor and Chief Attorney, respectively, for the Post Office Department in Washington, D. C., prior to their taking up their present law practice.

Judge Armstrong, who also sits with counsel for the defense, even more than two decades ago when he retired from the bench in Oklahoma, was renown in Oklahoma as a very able judge in the criminal appeals bench in that state.

Now, it is the duty of the prosecution at this time

to summarize the evidence in the case. You gentlemen, I know, have been listening to this for eight weeks, a few days a week, and in a sense it might be entirely futile for us to bring certain portions [726] of this evidence before your minds and read again and repeat again things you have heard over and over again during the course of the trial; but this is an important case both from the point of view of the Government, whom I represent and whom you represent, and from the point of view of the defendants as well who are here on trial for mail fraud. Consequently there is such a mass of evidence that it becomes necessary for us at this time to put it together in one cohesive mass, try and break it down into its component parts so that you gentlemen can see, as we who have worked on the case for many, many months have seen, just how this thing builds up into one whole mass that can be molded together and easily understood. I have attempted in preparing my opening argument for the Government to so place the evidence in such condition that we can in a minimum of time bring it forward to your minds in that manner. I might say that this task of addressing you at this time is difficult for me as it is for you to listen to me, and when I tell you that my opening here will probably take four hours, I assure you that I am not any more in favor of that than you are, but I just can't boil it down much less. After I have finished presenting the evidence to you, then the defendants' attorneys, four of them I believe—four or five of

them at least, will speak for an hour and a half or so apiece and try to convince you that these defendants have not defrauded anyone, but that they have acted in good faith and they believe what they have stated here on the witness stand and what they have told the Government witnesses who claim to have been defrauded.

Now, after they finish, Mr. Neukom will conclude for the Government and will probably take an hour and a half or two hours to refute the arguments of counsel for the defense. The Government both opens and closes in cases of this nature and that is the one advantage the Government has. The defendants have the right of appeal, right up to the Supreme Court, if they are found guilty.

The Government considers this case at this stage very [727] important because of the fact we must convince each one of you twelve men that deliberate in the case that these defendants and every one of them is guilty beyond every reasonable doubt. Now, that is quite a burden but we feel that we have established that by the proof in the case and in my summary I will attempt to review that. The Government must place the matter before you gentlemen so that you can ask yourselves now Is this defendant guilty beyond a reasonable doubt, and thus help yourselves arrive at a verdict.

The mail fraud statutes, the purpose of them, is to prevent any scheme or artifice which is designed to defraud. The mail fraud statute has a very broad purpose of protecting the public against fraud of

any kind. The Court will elaborate on that in his instructions to you. However, I might say at this time—and I think the instructions of the Court will bear this out—that there are two elements, two principal elements, to a mail fraud case. In the first place you must find there is a scheme to defraud to obtain money or property by means of fraudulent pretenses or representations. Now, all you have to do is find that there was a scheme to defraud. Then as a second element you have to find that somewhere along the line the mails were used in that scheme. The letters used in helping that scheme to defraud along might in and of themselves be very innocuous. That has nothing to do with the mail fraud charge. The name sometimes seems to be misleading. As long as the letter was used somewhere along the line and you find that there was a fraudulent scheme, regardless of whether the letters themselves were harmful or helpful or innocuous, nevertheless a mail fraud has been consummated. And you will be told throughout by defense counsel that this is entirely something new, that there has never been a case of this kind brought in the federal court before. I am sure that that will be one of the arguments that you will hear reiterated. Possibly I am wrong. If I am, I apologize to counsel for the defense. However, anticipating that, I would like to call attention [728] to the fact that frauds of similar nature have been known throughout history.

One of the first charlatans was Cagliostro. He

sold beds for painless childbirth, chairs to cure rheumatism, and to those who could afford it, an elixir of life.

There was James Graham of London who lived in the late 18th century. He exploited a celestial bed assuring conception. I have no doubt, gentlemen, that many of those people that did use the bed ultimately did conceive.

There was Francis Schlatter of Denver who was stopped by our own federal court from continuing his scheme. He had a method of faith healing. He cured people who visited him, and after the crowds grew too big for him to take care of, he sent out what he called blessed handkerchiefs. They were sent through the mails and anyone receiving that blessed handerchief would have anything that his or her heart desired and would be cured of all his or her ailments. That, as I stated, was stopped. There have been many other schemes of this sort.

The Government claims in this case though, gentlemen, that this Ballard racket, as we might refer to it now in argument, is a flim flam scheme that has been unparalleled in history. These defendants here have been the most successful fakers in the knowledge of the history of fakery, and I think that is a tribute to the principal organizer, Edna W. Ballard. We will go into that more later, however.

The indictment in this case charges the defendants in eleven substantive counts, one of which has been dismissed by the Court for a technical reason. These

six named defendants were charged with mail fraud to induce the purchase of books, magazines, pictures, et cetera. And inducing money and other things of value to the defendants from many persons, some of whom appeared here in court as Government witnesses. [729]

Mr. Peterson: Excuse me, Mr. Lazarus. I want to assign the remark of Mr. Lazarus referring to these defendants as fakers as error, and I ask the Court to instruct the jury that that remark should be disregarded. I don't think it is proper. "Flim flam fakers". I believe was the expression used. I think it is improper and we cite it as misconduct.

The Court: Do I understand, counsel for the defense, that the Government cannot designate that, in his opinion, characterizes the actions of the defendants?

Mr. Peterson: No, I am just objecting to the use of the language, if the Court please. I don't think it is proper.

The Court: If the Court sustains that, then throughout all the argument we would have to sustain any reference to these defendants except as the defense wants them described.

Mr. Peterson: No. I merely objected to the use of the language. They are defendants here charged with a criminal offense. I objected to that language. I don't think it is proper. I don't want to argue it.

The Court: I take it if I sustain this objection and instruct the jury as counsel requests, hereafter the Government would be stopped from making any

reference to these defendants except in complimentary terms?

Mr. Peterson: No, not at all. I am merely objecting to the use of that one word. I think it is improper. I don't like to object. In fact, I very seldom do that. I just don't like to do it, but I do think that is improper.

The Court: Gentlemen of the jury, you are the sole judges of the facts in this case. On either side I am going to permit fullest argument and that is why I permitted the fixing the length of the argument so it can be thoroughly argued to the jury. You have listened to the evidence, and I again instruct you now to disregard any statements made by counsel on either side which you think [730] in your best judgment have no foundation in fact from the evidence. In the heat of argument on both sides counsel will probably make remarks that do not fully conform to the evidence. Lawyers will do that, and even individuals will do that in the heat of argument. I just give you that general caution, and I think with the good sense and intelligence of the jury, if you find that extreme or extraordinary statements have been made, that you will disregard those statements and only pass judgment upon the evidence as interpreted by counsel.

Proceed.

Mr. Lazarus: Gentlemen, as I have stated, there are eleven substantive counts, one of which was dismissed by the Court, and there is one conspiracy count. Now, conspiracy will be defined more fully by the Court at the time you receive your instruc-

tions from the Court and retire to the jury room to deliberate upon the guilt or innocense of the defendants herein. However, there is one thing that is confusing frequently to the man who has not had experience in criminal law, and I wish to briefly comment on that at this time; and that is, that conspiracy may be arrived at by tacit and common assent without specific arrangement. A number of people, in other words, can fall into a certain pattern of action and by virtue of their action, without any particular understanding or conference or agreement, can be guilty of a conspiracy, and that is the type of conspiracy that the Government is charging and claims in this particular case.

Now, the only issue here is comparatively a simple one. It is not whether or not these various occurrences which are alleged to have taken place did take place unless you have to determine that to in turn tell whether the defendants have been acting in good faith. However, the principal and only issue really in this case is whether these defendants have been acting in good faith, whether they made these certain representations by means of which they sold [731] books and collected love gifts. That is what you have to determine, and the Government feels that the evidence shows that they were not acting in good faith, and we will bring the evidence together before you for that purpose now.

The first thing I would like to discuss is the question of motive. Now, what motive did these de-

fendants have for fooling the hundreds of thousands of people throughout the country with reference to this matter? I think that one of the easiest ways of going into that question of motive will be by turning to Government's Exhibit No. 10 which is the February 1936 issue of "The Voice" magazine, the very first issue. There we find two pages of advertising. This copy, as you remember, was all supplied by Mrs. Ballard. We find two pages of advertising with four books listed, three pictures, a half dozen or so Victrola records, and some pictures of the books on the other side, and the prices of the books set forth.

Now, turning from that to another that I have picked up here at random, which is Government's Exhibit 63, the July 1940 issue of "The Voice" Magazine, we find instead of two pages of advertising, as indicative of the growth and commercial aspect of this entire scheme, we find 16 pages of advertising, starting first on page 35 where a list of various radio stations in all portions of the country using these broadcasts and transcriptions is contained.

At page 36 is the announcement of two new songs by Mr. Ballard. That goes over from page 36 to page 38. On page 38 it is stated that the light rays which the Goddess of Purity—which is the name of one of the songs—carries tremendous harmony and healing power because all anyone needs to heal the mind, body or feeling world is complete purity of substance, and so on.

Now the next page, page 39, is the page where they announce these blue transparent records of a material which carries a special healing quality. The price of those records is set forth at $3.00 [732] each.

The next page sets forth that there are 12 records which can be bought from the Saint Germain Press for $3 each, shipping charges extra in all cases.

The next page announces the opening of a branch office here in Los Angeles of the Saint Germain Press and Saint Germain Foundation which had, as you will remember, their principal offices in Chicago.

The next page announces new charts priced from $1 to $12.

The following page is entitled "Protection of Our Copyrights," and is a page devoted to how the Saint Germain Press and Mr. and Mrs. G. W. Ballard will, under all circumstances, protect their copyrights of everything contained in these various books.

The next page is a publisher's announcement.

The following page tells what can be purchased at the Sindelar Studios.

The next page sets forth nine books, and the following page eight or nine charts, together with pictures, charts and pictures combined, at various prices from $200 for the charts and flames-in-action, on down to lesser prices for the smaller pictures. It also advertises radio broadcasting transcriptions.

On the following page there is advertised 12 song

sheets for $1 each and 33 Victor records for $3 each.

You will remember, gentlemen, that there was a play-back machine which was announced in one of the group leader letters, I believe introduced through Mrs. Fowler. It stated in that letter that that machine would sell for $125 and weekly records would come out for $3 each; that the machine would be purchased by the various groups that wanted them throughout the country, and if the groups ever disbanded or broke up the machine would not belong to the group leader or any member of the group, but must be returned to the Saint Germain Press together with the equipment. [733]

Now, the reason for that play-back machine, we think, is obvious. The only other really high-priced sales article which was sold by the Saint Germain Press was the action machines, which you saw demonstrated here in court. They are a new variation of an old trick that is well known in the electrical game. You have seen them in windows, where they have these littlt twirlers behind and they give the appearance of a flame in action. And that is what it is called, a flame*in*-action.

Now, that flame-in-action was so successful, as can be determined, financially successful as can be determined from Government's Exhibit 200, that I believe it is self-evident that the defendants desired to bring out another high-priced article.

I want to analyze just for a moment to see the success of this flame-in-action and charts-in-action, as shown by Exhibit 200 which was submitted by Mr.

Loomis, who, as you will recall, was president of the corporation that manufactured these machines.

This chart, as you are at liberty to examine yourself later if you desire—I think it was passed around to the jury during the course of the evidence—shows that there were 202 small flames sold to the Ballards at $16.98 each, and of the large flames there were 50 of them sold at $200 each, that is at $80.40 each, which was the cost to the Ballards. The small charts averaged $18.37 apiece, and the large charts averaged $87.46 apiece. There were 212 small charts and 100 large charts sold.

Now, adding all of those together, that is, multiplying those by the sales price and deducting the cost price, you find that there was a profit on those articles of $33,869.72 in a period since the middle of 1939 to some time around the middle of December 1941. So over a period of two and a half years you find a profit of well over $33,000 on that one thing alone, and that was a sideline to the books, gentlemen, and love gifts, as we will show later in argument.

Of course, it might be argued by the defense that they [734] didn't sell all these charts that they ordered. However, I think that the manner in which they were ordered makes it appear self-evident that they were sold. From time to time you will find listed here re-orders.

I submit, gentlemen, that there was not evidence of any one thing that was given away in this entire case except a few books to public libraries, for ad-

vertising purposes, I might add, and except one book which was given to a woman who had paid $1 down as a deposit and couldn't scrape up the other $2 to buy it, so they gave her the book. The book, incidentally, cost the defendants something like 31 cents, as I will show later, so it wasn't exactly an act of charity.

Although the defendants in selling these—they charged extra for shipping charges; they set forth in these advertisements "Shipping charges extra," so there couldn't have been any great expense to them in that respect—although the defendants in selling these apparently made $33,000 over a period of two and a half years, they stated in "The Voice" mazazines, particularly the issue of March, 1939, in announcing these machines: "No discounts to dealers or group leaders because of production expense." They found they could get away without giving discounts, so why give them, and they didn't give them.

Now, Paul Stickell's testimony was that he used this chart-in-action throughout the country in explaining just what it meant, and I believe that Paul Stickell, one of the defendants here, also testified that he didn't buy the charts himself, that he used those throughout the study groups in the country.

The decree books are another motive for the defendants to continue in this business. These decree books were of many different kinds. Probably the most profitably, as appears from the evidence, was the looseleaf decree book, which has approximately

400 leaves and which sold for 2 cents each. I believe the price was not [735] so long ago reduced to 1½ cents each.

There were music books, song books, and records. There were pictures sold from a very slight price up to $25 each. There were charts sold, charts that cost $2.09 and sold for $15. There were books, many books, sold for approximately $3.00 each for the most part. We will go into that a little more in detail later.

Radio transcriptions were loaned to different groups throughout the country, or leased to them, for $20 each. Each one of these transcriptions, which was made off of a main pressing—Mrs. Ballard would talk and then pressings would be made of her transcriptions—each one of these transcriptions would be good for from eight to ten playings each, according to Mrs. Ballard's testimony. That makes an average of nine plays each per record. That means that each record was good for an income of $180. So you can see, quite aside from the advertising which was obtained through the use of the radio in the various portions of the country, the records themselves appear to be a rather powerful source of income for these defendants.

The love gifts were another reason for these defendants having the motive they had, to start this activity and continue with it. You will remember that in Government's Exhibit 73, a letter from Guy W. Ballard to Harry Sieber, the first business manager, Mr. Ballard stated, "Harry, our greatest opening

for book sales is through the class work." In other words, the classes started as an opening for book sales, and then with the growth of the classes the love gifts became equally important with the book sales until finally in Los Angeles, as we will show a little later in presenting some of the evidence, the love gifts alone, quite aside from the sale of books at the classes in Los Angeles, quite aside from the sale of books at groups throughout the country and the sale of books from the Saint Germain Press headquarters back in Chicago, the love gifts in Los Angeles approximately $1,000 a day. [736]

The love gifts and the gifts to the Ballards became so great, as a matter of fact, that they had to protect themselves against some people that later evidently saw through the situation and demanded their gifts back.

Now in "The Voice" of December 1939, at page 36, there is this statement:

> "Notification concerning gifts
>
> "As we have given published notice before in this magazine, so do we now again notify all who give to this Ascended Master Activity of the 'I Am,' that we accept only gifts which are free from entanglements of any kind, and only on the condition that they are not to be returned.
>
> "What comes into This Service of the Light must be a glad free Gift of Love which is permanent. We do not accept anything under any other condition. Mr. and Mrs. G. W. Ballard."

As Mrs. Adams testified, Mrs. Ballard once said, "It is our pie, and we like it."

Now leaving the motive for this work and going to another subdivision, that is, the effectiveness of it, just exactly how effectual was it in making it worthwhile to continue in this business, which is what it was, we started out with the testimony of one of our first witnesses, Harry Sieber, who was the first business manager of the Ballard movement. Saint Germain, this great ascended master, this spiritual being who speaks only to the Ballards and people appointed through the Ballards, was very much interested at the very start with the commercial aspects of this case. In a letter to Harry Sieber, Mr. Ballard stated that Saint Germain said that he "wanted us to have a dollar per copy clear on all books as a gift to us."

We find that the second edition of "Unveiled Mysteries" [737] according to the testimony of Harry Sieber, which will be substantiated, cost the Ballards 26½ cents each to be printed, and sold for $2.50. I think we will later show that there was absolutely no advertising cost to the Ballards and that everything taken in was profit, pure profit.

Mrs. Ballard stated here in court that there were from three to six million members of the I Am organization throughout the country. Now apparently Mrs. Ballard, in setting her price for which these various articles will be purchased throughout the country by members of the I Am organization, all of whom purchased in good faith no doubt, multi-

plies her cost by ten, at least we find that in many instances. Let's just give her the benefit of the doubt and divide by ten her estimate, her lower estimate of three to six million people.

Now, three million divided by ten gives you 300,000 people throughout the country. There are six books selling for approximately $3.00 each and Saint Germain, as we found some members of the organization that have testified for the defendants, as well as those testifying for the Government, purchased well over one set of books apiece, but practically everybody that testified had one set of books.

Assuming that there are 300,000 active members that believe what the Ballards tell them, believe that the Ballards have been acting in good faith, assuming that they have just purchased one set of books each, we find that there would be 1,800,000 books sold throughout the country. Saint Germain ordered that the Ballards receive $1.00 per copy clear profit on that. Now, of course, if Saint Germain ordered that, it probably occurred. As a matter of fact, it is hard to see how the Ballards wouldn't receive more than that, when the cost to them is only 26½ cents. But assuming the fact that they have certain expenses, transporting their staff around the country, and forgetting about the love gifts for a [738] moment, let's say they only make a dollar clear per book and they sell one book to each of these 300,000 members, then we find a revenue from the books alone of $1,800,000.

Of course, those figures are very rough. Mrs.

Ballard testified that only 160,000 books were sold, and if we multiply that by 10, as we find we can do in her statements—when it is to her benefit she multiplies by 10; when it is to her detriment she divides by 10—we find 1,600,000 books sold. At any rate, that gives us a rough estimate of what the take might be from these various books.

Now, going into Harry Sieber, we find that in November of 1934, when they first started out with these classes throughout the country, and it was arranged that the love gifts be split 50-50, we find that in November of 1934, exclusive of book sales at Philadelphia for a short class, the love gifts were $1,025.25. The expenses were approximately $300. The Ballards split with Harry Sieber, at this very start of the movement, $738.74.

When Max Gysi came on the scene it was after Harry Sieber, who was splitting with the Ballards 50-50, had suffered from injuries incurred in an automobile accident. That was a break for the Ballards because Max Gysi was a believer in everything that the Ballards had told him for some time and, as it was stated in a letter from the Ballards to Harry Sieber—this letter extolled Max Gysi highly and stated that he refused to accept any money for his services. So from that time on the 50 percent split with the business manager was cut out. That was quite a break.

Now, turning to Government's Exhibit 99, which we find was submitted through Max Gysi, he had set forth the total amount of books, charts, and con-

tributions from April 4, 1935, to September 1, 1935. This is a period of less than five months. Max Gysi testified that he received this document from Betty Mundy, who was at that time apparently in charge of the sales of the organization, or [739] handling that portion of the work as Mrs. Ballard's good man Friday. The total sales for that period of five months, as is set forth here, was $11,067.08. That includes cost sales of $15.75, and no gifts were set forth here.

At the time Betty Mundy was helping the Ballard organization to sell over $11,000 worth of books and charts, in that period of five months in 1935, the defendant Paul Stickell, the lawyer-lecturer who left his very highly-paid profession, where he could be doing much better than he is doing now, to accept a job with the Saint Germain Press, not for love of the light but for $25 a week, which is all right—that is good money—Paul Stickell was working back at the office of the Saint Germain Press packing books as a stock boy. He was seeing these orders come in from Betty Mundy, no doubt, for the testimony seems to show that the books came from the Chicago office, and it wasn't long after that that Paul Stickell went on the road to sell the books himself and to collect love gifts, but that, too, we will go into more at length at a later time.

We find an exhibit submitted by Max Gysi showing that the love gifts for the Boston class of 10 days in 1935 totalled over $1200.00. The love gifts for a Philadelphia class, also a 10-day class in 1935,

totalled over $1700. Max Gysi submitted to us, and it was offered in evidence here, a signed receipt of Mr. Ballard showing that he did receive this money from Max Gysi.

About the only information that we have of what the Ballards did receive through this organization of theirs is in the papers that some of our witnesses fortunately have, and those papers can give you some indication of what the love gifts were at that time.

You recall that Pat Crouse, Mr. Ballard's secretary, was one of the Government witnesses in the case. Mr. Crouse testified that he received from 25 to 50 letters a day, of which one out of every eight contained money with a request for healing.

Checks received through the mails came in large amounts. [740] During the Washington, D. C., class of 1939, certain checks were received and listed and a photostatic copy of that list was offered in evidence through Mr. Crouse, Government's Exhibit 143. This list shows that the checks coming through the mails in that Washington class totalled $2,447.55, and that was in addition to money coming to the Ballards in love gifts from the class itself and coming to them through profit on the books sold.

Virginia LaFerrera also testified as to what the Ballards received. She testified that she heard Mr. Ballard state that the 12 caret diamond that Mrs. Ballard received from Mildred Boos came from the Yellowstone Diamond Mine, which was described in the chapter "Mysteries in the Yellowstone" in "Un-

veiled Mysteries." Of course, that lent a glamour to that ring and made Mrs. Boos very happy to have given that ring to Mrs. Ballard.

Mrs. La Ferrera also testified that she was present when Mrs. Boos bought an 11.80 caret diamond ring and presented it to Mr. G. W. Ballard, and she also heard Mr. Ballard make the statement that this ring had great healing power.

Another witness for the Government along the subject of finances was Ted Dahl, who was the radio man, as you will remember. He testified that through the country he handled $190,000 for radio station time exclusive, I think it was—no, that was in playing the Ballard transcriptions and in putting on Edna W. Ballard's personal broadcasts.

This money, $190,000, was not paid by the Ballards themselves except for a very small portion which went to pay for radio time in Los Angeles, but it was paid for by student groups throughout the country—$190,000 worth of free advertising for the Ballards during that period.

There were many letters from Edna W. Ballard or Betty Mundy showing charges made to different groups for these radio transcriptions, which charges were made directly to the Saint Germain Press [741] through the Ballards. Mrs. Ballard, as you will remember, was the sole stock owner in the Saint Germain Press.

Exhibit 166 was a letter to Miss Cecilia Delfosse at Chicago, Illinois, signed Edna W. Ballard, relating to Chicago broadcasts, where Miss Delfosse is

billed for $1,580, with the notation showing that there had been received on account for records $745, and that the balance was owing.

The extent of phonograph records is shown in a letter signed by Betty Mundy addressed to Ted Dahl on September 22, 1938, Government's Exhibit 170, which letter states: "P. S. Mrs. Ballard says she would not be interested in 10-inch records, so disregard that. We will doubtless order in lots of 500 each hereafter and save the extra cost." And these records, gentlemen, sold for $3 each.

Portia Terry, one of the witnesses for the Government, was Donald Ballard's former mother-in-law. Introduced through Portia Terry was a letter addressed to "Dear Donnie," dated May 1, 1937, Government's Exhibit 151, which stated:

> "Since you got the car in December which is five months, you have had $11,000," and "you have had more than $7,100 since January 1, and that will not pass for income tax approval. You are only 18 years old and there are things that are right and things that are not right."

With that we will all agree, and that certainly is one of the things that is not right.

Mrs. Edna W. Ballard was so interested in protecting herself when she got on this witness stand that after she stated that all the money that came into the movement went for the expansion of the light, she had to ration even this $11,000 that went to Donald Ballard in a period of five months. That

$11,000, she said, certainly was used in expansion of the light. [742]

Referring to the letter of Mrs. Ballard itself, we find that apparently Saint Germain didn't think so at the time. The letter states:

> "Saint Germain was so shocked when he read your letter that he is considering a very serious move against you."

And it goes on to chastise Donald at great length for using this $11,000.

I want you, gentlemen, to keep in mind, when considering this letter, and another letters written by Mrs. Ballard to Donald—some are addressed to Donald, some are addressed to Donald and Marjorie, and some addressed to Donald, Marjorie and Portia—at any rate, Marjorie Ballard was then married to Donald; she married him in good faith, thinking that it was Saint Germain's order, according to the testimony of Marjorie's mother, who had no motive for falsification here on the witness stand, and it was obviously realized by the Ballards at the time these letters were written that they would be read, not only by Donald, but by Marjorie, his wife, and probably by his mother-in-law as well, which is exactly what did happen.

The Betty Mundy reports are very telling evidence, not only as to the receipts of the Ballards in this organization, but as to the cost of various items which they sold.

One of the first reports is that of the class of May 9, 1938. This was a 10-day class. The total sales and love gifts received was over $6,000, over $6,300, for that 10-day class in Detroit.

There is a statement on Exhibit 142: "There were no gifts at this class," and that was signed by Betty O. Mundy. The entire report was signed by Betty O. Mundy.

At the Los Angeles Shrine class, from July 18, 1938,—that is, from July 1 to July 17, 1938—the report showed that there was a total take for the Ballards for that 17-day class of $27,796.22. [743]

You can see quite a growth since the time of Harry Sieber, where the classes took in maybe $1200, plus book sales, to this point in Los Angeles where, in 1938, they were taking in $27,700 for a 17-day class.

Now, the gifts are specified there too. Let's see just what the gifts were at that class so we can determine whether or not the Ballards were actually giving away all their profits and using their money in expansion of the light, as they claim.

Gifts: Two "Unveiled Mysteries;" and in the handwriting of Betty Mundy we find, after two "Unveiled Mysteries," 27 cents and 54 cents, the obvious assumption being that that 27 cents is the cost price of "Unveiled Mysteries." That, in view of the testimony of Harry Sieber and in view of the testimony of Mrs. Ballard herself, appears self-evident.

This, incidentally, is where we obtained our cost price figures.

So they gave away 54 cents worth of "Unveiled Mysteries," two copies; two "Magic Presence"—they cost the Ballards 34 cents each, as is set forth in pen—that cost 68 cents each, and so on down the line—two "I Am Discourses," two "Ascended Master Discourses," two "New Decree Books," and 60 magazines.

The total cost here is listed at $15.84 in gifts, with the take over $27,000. That is pretty good advertising to give gifts away under such circumstances, and one can almost afford to do it.

Now, with reference to love gifts as they were given at that class, we find, in a group leader letter of March 18, 1939, a statement:

> "You must fulfill the law by unselfishness. Time and time again when, in their classes, the love gifts have not been of sufficient supply the messengers have taken out of their own pockets dozens and dozens of times to make [744] up the deficit. Saint Germain told us that last year alone it was over $50,000."

Just what was the cost, the expenses incurred in that class? We find here a statement where they show what happened to this $27,796.22, love gifts retained by G. W. Ballard for expenses, $6,454.75.

Various other checks and drafts were sent from time to time, as listed on this exhibit, back to the home office in Chicago, so the difference between the

$6,000 and the $27,000, or over $21,000, was sent back to the Saint Germain Press in Chicago from that class.

We find also listed here the Chicago class for 1938, a 10-day class, where the total take was over $9,000. Gifts listed: One "Unveiled Mysteries," one "Magic Presence," one "I Am Discourses," one "I Am Ascended Master Discourses," one "Ascended Master Light," one "New Decree Book," one "Rose of Light" song, one "Rainbow Rays" song. That was one gift day that they gave one of everything. The cost price of these gifts added up to $2.34 and 4 mills.

The Shrine class in 1939 showed a take from December 22 to January 8 of over $19,000. The gifts at that class were one of each book and eight records and eight songs.

There was also a statement on this list here of damages. You will remember the defendant Cassiere spoke about how the profits weren't so great in the books because he had to pay for his spoilage, as he called it. The damage was one "Unveiled Mysteries," returned to Press, and three "I Am Discourses," total loss.

New York Class: The take in 1939 in a ten-day class was over $8,000. They gave away 55 songs. That was the song giving day there. That was their specialty. Four broken records were listed as spoilage.

The Chicago class: The take in 1939, from April 2, 1939, [745] to April 16, 1939, was over $12,500

as appears here. Gifts: Two records. Also two records broken in shipment—the entire amount of gifts.

Los Angeles class: From June 30 to July 16, 1939, showed a total take of over $17,500. 200 "Unveiled Mysteries" were given away and 28 songs. The total cost of the gift of the Ballards, the songs which you remember sold for a dollar and cost 8.2 cents each, total cost to the Ballards of gifts given away at that class $3.04.

I have made no mention of the various sales of charts and flames-in-action, nor the sales of the Saint Germain Press back in Chicago.

Back in Chicago, you will remember, the Saint Germain Press continued to supply group leaders all over the country. The only expense was the shipping expense, apparently, because there was no printing done there and the advertising was done only as Mrs. Ballard stated in "The Voice" and over the radio transcriptions at no cost to the Ballards. So the only expense apparently was the cost of maintaining the office and shipping the goods back there. We find practically everything shipped out by the Ballards, the charges had to be paid on top of the cost price. So we find we have not only examined the motive for the Ballards continuing in this organization in this way, but we find that the motive met with great success.

The thing I want to discuss now is representations. Just how did the Ballards get various people to join this movement. How were they able to make

this success. And why does it continue to be successful over a long period.

We find it is very much related to Superman and Flash Gordon in the funny papers. Incidentally, they are two of my favorite comic strips. I am sure many other people have read those. Especially K-17 reminds me of Superman. [746]

We find in discussing the representations made by the Ballards that the best way to go into that is not to take the testimony of our witnesses—I think you gentlemen can determine the credibility of the witnesses for the Government and the witnesses for the defense—but there are certain things that have been printed that cannot be overlooked.

If the Court please, any time you want to interrupt me, don't hesitate.

The representations, however, can best be seen in the books and publications themselves because certainly the Ballards can't claim these books and publications of theirs are not telling the truth. We find also that the ascended master Roy-O-Light in Minneapolis made the statement: "In the vast number of Dictations which have been given there was not one conflicting thing in all put together. Therefore, one must know that all these Dictations come from the Great Wisdom of Life."

Let's take these dictations and see where they lead us. In the first place, Mrs. Ballard and the other Ballards referred to themselves as the accredited messengers of the ascended masters. Mrs. Ballard was very reticent about admitting this when

she was on the witness stand and, apparently, tried to place that off on Saint Germain and somebody else; but we find throughout that they did so represent themselves and they were so understood by the various followers of their movement who testified on the witness stand.

The letter introduced by the defendants as Defendants' Exhibit II, a letter from Mrs. Fowler to Mrs. Ballard, stated: "I do not think anyone could be more appreciative of the privilege that was his —" referring to Dr. Kirk of Seattle—"in meeting you on the mezzanine floor of the Biltmore * * * every time I see him he mentions that meeting and he has said to me, 'To think of having the opportunity of shaking hands and talking to someone like Mrs. Ballard * * * someone who associates with the Gods!' " [747]

Now, of course, if Mrs. Ballard actually did associate with the gods, you can well understand how these various people that joined the movement would join the movement and would stay in the movement; but I don't think she did, gentlemen, and I don't think the evidence shows that she did.

"Jesus and Saint Germain both said"—I am quoting from "The Voice" magazine—"'Saint Germain, myself, or any other Ascended Masters are not giving our teachings of the I Am in the Western World except through Mr. and Mrs. G. W. Ballard and their son Donald and those named to them and under them.' "

That almost makes you wonder who has the eastern rights if the Ballards have the western rights. And I assure you, gentlemen, if these defendants are found not guilty in this case and let off free, there will be many, many applications for the eastern rights.

In Jesus' Christmas day discourse given in Los Angeles in 1935 it was stated: "Let no one desire to transcend or replace these beloved messengers * * * Until the Ascended Masters come forth in their tangible, visible bodies."

Now, that gave the Ballards a pretty good hold on this activity by themselves because there aren't many people that can claim to have seen the ascended masters in the tangible, visible bodies. Thus interlopers would be kept out of the activity. If they saw it was a very profitable one and tried to get in, the Ballards would from time to time refer to that statement of Jesus and say, "Well, as long as Jesus said we are going to remain his direct messengers until they come forth in their direct bodies, we will; and don't dare believe anyone else."

An example of that is this Government's Exhibit 193 which is a group leader letter sent out all over the country. It says:

> "Remember we stand absolutely one hundred percent with the Books of the Saint Germain Series, the 'Voice of the I AM and the Dictations [748] given thru our Beloved Messenger, Mr. G. W. Ballard. Anything else has no place

in this Activity and is not coming from the Ascended Masters.

"Recently several purported dictations, (of which we have copies) claiming to be from Saint Germain and Our Messenger, have been circulated and some published. I again wish to go on record and state Saint Germain's own statement made publicly from the platform in several dictations as early as 1936 was that whenever He or any of the Ascended Masters chose to dictate or give information or instruction thru any other channel than His Messengers, Mr. and Mrs. G. W. Ballard and Donald, He would first advise the Messengers and the student body. No such corroboration has come from Him—His Word is good enough for us, how about you!"

Then they go on for the students not to read the book 'I Am America's Destiny" published by Bob LeFevre and Pearl Diehl, which was supposed to have been dictated, they claim, by Saint Germain. Incidentally, it is stated, referring to Mrs. Ballard and Donald Ballard, that Saint Germain has never told them that this book did come from them and, therefore, it is not to be sold or permitted within the reading rooms or sanctuaries.

Now, the Ballards built up a great aura of mystery around themselves. They clothed themselves with this mysterious cloth by which they sought to persuade their followers they were not the same

ordinary human beings that the rest of the followers were. We find that in a discourse of Mighty Victory where it is stated: [749]

> "You beloved ones in this vicinity one day will know what these Precious Messengers have meant to you and your humanity. One day you shall know who they are. You do not know yet."

Shortly thereafter it was stated:

> "Look upon those two forms tonight. They seem and are very humble, very natural, yet they are so far beyond what these human forms seem to Out-picture you would be greatly surprised."

Shortly after that it was stated:

> "Read, oh read, Beloved Ones, all that is before you. You do not know yet who is in your midst; you might be greatly amazed some day when we tell you."

Thus building up for something.

Now, gentlemen of the jury, I asked Mrs. Ballard about that on cross examination and Mrs. Ballard's answer was, as it always was, "Those weren't my words. Those were the words of the ascended masters. Only they know what they mean." Of course, she uses the ascended masters as a cover-up just as I might name somebody named Sam and hold him responsible for all my answers and say, "You will have to ask Sam about that. He is the fellow that

makes my statements for me." But Mrs. Ballard said she didn't know. She wasn't curious. Those were her exact words. "Those words are from the ascended masters."

After that answer by Mrs. Ballard I read her the Goddess of Justice's discourse in Chicago which, apparently, she had forgotten. At that discourse Mrs. Ballard was informed by these great masters just exactly who she was. At that particular meeting in Chicago, the Ballards weren't content to have just one ascended master present but they had two of them. They had Saint Germain and the Goddess of Justice. The Goddess of Justice was the [750] principal speaker of the day, but Saint Germain had introduced the Goddess of Justice. Of course, Mr. Ballard was talking for both of them. He didn't have anything to do with that. It was the Goddess of Justice and Saint Germain. Saint Germain started by stating:

> "The Goddess of Justice is here! Now while you are standing" (apparently the audience had risen in respect, and no doubt they actually believed the Goddess of Justice was there; and that is just another example of how this fraud went on and fooled many, many people) "Now while you are standing, I am going to say something to you that may sound somewhat startling to the close associates of the Messengers." Do you blame people for joining the organization? "The body of this messenger is a part of myself." (Do you blame people for

joining the organization?) "The body of your beloved Lotus is a part of the Goddess of Justice" (To think that Edna W. Ballard is a part of the Goddess of Justice. Do you blame people for joining the organization?)

Now, when Mrs. Ballard was confronted by that, she said, "Well, I am under a particular aura of the Goddess of Justice and thus take on some of the attributes." Her statement was somewhat to that effect.

Now, the adventures as set forth in "Unveiled Mysteries" of course were alleged to be true adventures. The adventures set forth in "The Magic Presence" were stated not to be imaginary or symbolic and are not to be interpreted in any such way.

It is stated in the foreword, "This book contains the second group of experiences."

The I Am Discourses were again true adventures. Saint [751] Germain were alleged to have been physically audible to everyone in the room. His voice was physically audible to everybody in the room at the time this book was dictated over a visible light and sound ray in 1932.

Mrs. Ballard, when interviewed by the postal inspectors, at the Biltmore Hotel, stated:

"The ascended master Saint Germain dictated these to Mr. Ballard in my presence in Chicago."

Judge Armstrong said:

"Others joined in that activity."

And Mrs. Ballard said:

"Others besides Saint Germain, yes."

These were all, not only as appears from the Government's witnesses but as appears from the defendants' own witnesses, related to be true, real, adventures of Mr. and Mrs. Ballard and Donald Ballard, and they were so understood by the people that joined this organization. No doubt they still understand them to be real true adventures. That is where the fraud comes in, gentlemen, because that allegation of these real, true adventures with these ascended masters or gods of the followers of the I Am organization, had been built up to be gods by the Ballards. These real true adventures with these masters lent to the Ballards a certain godliness, a certain saintliness, something apart from the common people, which caused the followers to continue to buy books and continue to give love gifts.

With relation to the association of the Ballards with Jesus; Mrs. Ballard in her interview stated:

> "Jesus Himself has been present and dictated. We have shaken hands with him. He has held us in His arms."

Do you again blame people for joining this organization if [752] they believe that representation? Anyone would.

The Ballards stated—in Jesus' discourse given in Chicago in 1939 it was stated:

> "When the Messengers have said that I have stood in My tangible body in their presence.

that they have kissed my Hand and I have held them in My arms, that is a great and mighty truth, and all the world will never change it."

That close relationship between Mrs. Ballard and Jesus and the Ballards and Jesus was commercialized, gentlemen. I refer to "The Voice" magazine of December 1939, pages 38 and 39, where they announce new music. I am just taking one example of many that are contained in these books:

"I AM COME has been brought forth as a magnet of Jesus' power of light. Jesus the Christ has stood in our own home many times in his visible, tangible ascended master body. He has held us in His Arms. We have kissed his hands. He is real. No power nor human being on earth can ever change that truth and reality which we know to be from actual personal physical experience. We stand by it for all eternity, because it is true.

"His voice spoke the words of this song. I am Come has been made in a Victor record by the trio of voice, harp, and novichord."

That was before the blue records came out. It was an RCA record which sold at $2.50 each. To think of using, a mild self-effacing man who lashed out at the commercial pharisees, scribes, and money-changers of His day, to help this scheme of book selling and collecting love gifts.

The appearances of the ascended masters was an-

other [753] representation by which the followers of the Ballards continued to follow them. Saint Germain's discourse given at Cleveland in 1937 stated:

> "I feel very close to you dear ones here. Does that sound chummy? I mean it. I have been almost tempted to come forth and show myself to you. Oh beloved ones, weary not in well doing—it shall come about."

That is one example of the numerous occasions when Saint Germain and some of the others said, "I am just about ready to show myself to you. Just keep on being good and I will show myself to you."

Now, gentlemen, if you thought anything like that was going to happen, I am sure you gentlemen would attend the Ballard lectures, give love gifts, and buy books. I would certainly out of curiosity at least.

The Great Divine Director in Los Angeles in 1936 said:

> "Remember! that which the messengers have said to you shall be fulfilled. The ascended host will walk and talk with you, as you do with each other, the time depending upon the sufficient harmony to be established among the students of America to whom they come."

That was the excuse for everything not happening. There just wasn't sufficient harmony. Like a dog chasing his tail and not within reach of it. You go round and round and round and you are just

very close to the tail but there is just that little lack of harmony between the mouth and the tail that keeps you from getting there, and you hope the harmony will fill the gap and you will be able to reach the tail. That not only came out in the discourses, but it came out in the letters addressed to some of the students of [754] the Ballards. You will remember that Saint Germain's private Christmas greetings to Max Gysi which was handed to him by Mrs. Ballard said, "I trust ere long we shall meet face to face. My love enfolds you always."

No wonder Max Gysi went around with the Ballards and served without compensation as their business manager. He expected to see Saint Germain very shortly. I believe—I am not sure—that might be the same Saint Germain letter that Max Gysi had—you remember one of them—which was in red typewriting. That was indicative of the manner in which the Ballard's enlarged upon their scheme as they went along. At first letters, even from the ascended masters, came out from time to time in red typewriting, and yet later they figured that the color gag would be a pretty good one.

It sounds pretty convincing to tell people all about red and black as being very dangerous colors. And then the ascended masters, these great gods of the never changing truth come out and say in one of their discourses:

> "The ascended masters, never, never, never use the colors red or black."

And again:

> "No one on this earth need ever except health, prosperity or happiness if he surrounds himself with the colors red or black."

If this were true, and the Ballards thought it was true, do you think Saint Germain would allow them to type a letter with his name on it in red? It shows the opportunism and the way in which this scheme expanded. It is just one indicia of the fraud in this case.

Now, the most dangerous part of this entire case, the manner in which I believe most of the people probably were gotten to follow the Ballards, went around with them sometimes from town to town like Mrs. Schall, was the healing aspect of it. You will recall Mrs. [755] Schall, who was the widow of the late Senator Thomas Schall of Minnesota, United States Senator, testified that the first meeting she went to she heard Mr. and Mrs. Ballard say that they could heal even dismembered legs. They could grow on dismembered legs. They could heal deafness and blindness. Her husband had been blind for many, many years. He was undoubtedly a very, very fine man and Mrs. Schall was very anxious to cure that blindness. She had great faith in human nature, apparently, because she took the Ballards at their face and continued to attend meetings, hoping all the time to cure her husband's blindness; and then accepting her own shortcomings as an excuse. She hadn't established sufficient harmony. She

hadn't been in the movement long enough when her husband was killed in an automobile accident still blind; and Mrs. Schall herself, still blind, as many are today, continued to follow the Ballards around, continued to give money for love gifts and purchased books. I think the testimony showed that she, relying on these representations of these defendants, here contributed over a thousand dollars in love gifts alone, as well as buying many, many sets of books.

Few are villains enough to bilk and defraud those who are ailing spiritually and physically by telling them untruths throughout but I think, gentlemen, in this case we will find these defendants have been doing just that.

The Court: Gentlemen of the jury, we will take our morning recess of ten minutes. You will remember the admonition I have heretofore given you.

(At this point a short recess was taken, after which proceedings were resumed as follows:)

Mr. Lazarus: Gentlemen of the jury, when we took up our recess we were about to discuss the subject matter of healing. We have gone into the experience of Margaret Huntley Schall who had [756] given over a thousand dollars to this movement and originally was interested in an attempt to heal her husband's blindness. To the Government that is one of the most pitiful sides of this case. The Government does not claim, we do not know, and we aren't here to discuss whether there

is such a thing as faith healing or not. We aren't here to discuss the question of whether or not any person can possibly heal blindness or grow on dismembered limbs. Many people believe they can. But we feel the evidence, as disclosed here, shows that the defendants' use of these representations regarding healings were only to continue to sell the books and to obtain further love gifts from their followers.

Now, the testimony of Virginia La Ferrera was that Edna W. Ballard stated that her only reason for wearing jewelry, especially large jewels, was that they carried a powerful healing radiation and that she used them in that work.

Edna W Ballard both in her deposition and at the trial on cross examination stated, "I received some money for healing."

Edna W. Ballard at the Biltmore Hotel in the deposition taken by the post office inspectors stated:

> "Mr. Ballard healed 20,000 people in eight years and several thousands of letters bear witness to that, and people don't write in and say they are healed unless they are. But we have never asked a human being to write a letter or testimonial for anything we have ever done."

Mrs. Ballard further stated that the power to heal passed on to Edna W. Ballard after the death of Guy W. Ballard.

Mr. Callahan asked her this question (Mr. Callahan was the post office inspector): "Just what were these people suffering from—various ailments?"

Mrs. Ballard replied:

> "Various incurable diseases that the doctors have given up completely. We have taken the dregs that the doctors were through with and the doctors themselves have [757] admitted it is something beyond their power."

Gentlemen of the jury, this defendant, Edna W. Ballard, took the witness stand. Other defendants took the witness stand. There was no attempt on the part of the defense at all to produce any of these thousands of thousands of letters from these 20,000 people who had been cured in eight years. There was no attempt on the part of the defense to produce witnesses who had actually been cured, people who had been cured and, consequently, were grateful to the Ballards for curing these incurable diseases. If I had an incurable disease, gentlemen, and thought by buying the books of the Saint Germain series and following the teachings of the Ballards and giving love gifts would enable me to cure myself or any member of my family, I assure you I would be a devout follower. That is why many of these people have purchased books and have given love gifts.

The Goddess of Light in Washington on November 12, 1939, stated:

> "Remember, beloved students, many of you have not heard this, but through the call of this beloved messenger alone, (Mr. G. W. Ballard) over 20,000 instantaneous healings have been achieved by his calls in five years."

Mrs. Ballard stated in eight years there were 20,000 healed. This ascended master, Goddess of Light, stated in five years there were 20,000 people healed; and these statements were made just eight months apart from one another. Well, that is just another of the many discrepancies that appear throughout when a person makes up a story as he or she goes along.

The Mighty Victory stated: [758]

> "There are thousands of people who have been healed at one call of the messengers."

If I thought so, again I would join the movement, again I would give love gifts, again I would purchase every new song that came out.

Saint Germain in San Francisco stated:

> "I say to you beloved ones who are in the neighborhood of 60 years old . . . I tell you . . . anyone of you . . . in six weeks you can be as strong, firm and active as you were in your fullest youth."

Here on the witness stand Mrs. Ballard stated that she was an example of a person who, approximately 60, is now as strong, firm and full as she was in her fullest youth. Gentlemen of the jury, I submit all you have to do is to examine the defendant Edna W. Ballard to find out that she perjured herself on that witness stand in that respect.

Jesus was supposed to have said, according to Mrs. Ballard and Mr. Ballard in their representations as set forth in "The Voice" magazine of November 1939:

"The healings that take place at their call (speaking of the messengers) every hour of the day, week after week, month after month, these past five years is unparalleled on this earth! I healed many people, but only a small number in comparison with that which their calls to life and light have caused to take action in the people of America." [759]

Again lending an aura and cloak of glamor and mystery and divinity to the Ballards, the accredited messengers of the ascended masters.

With reference to the songs published and sold at a dollar apiece, costing 8.2 cents apiece, "Rainbow Rays" and "Rose of Light," it is stated:

"These songs both came forth through our beloved Mr. G. W. Ballard, both lyrics and music, and carry tremendous healing power and blessings to all."

Well, that 8.2 cents would be a pretty good profit, a very fair profit, if, in fact, those songs could cure people and render blessings. But that, gentlemen, is misrepresentation.

Now, with reference to the phonograph records, we have had expert testimony in the form of Mr. Leishman who introduced some pictures taken of black phonograph records and blue phonograph records in the hope, apparently raised by the defense, that you gentlemen would be confused by this smoke that is going around. Just what do those pictures represent and mean? I hope we will be further en-

lightened on it by the defense before this case is over. To me they don't mean anything, and the reason I say that is this: Long before those blue phonograph records came out the Ballards claimed that their phonograph records had healing power. So assuming that those pictures did tend to show that there was healing in blue phonograph records, which is certainly something the Government will never admit, assuming, that is so; nevertheless we find the misrepresentation and fraud made prior to that time. Referring to the May 1939 issue of "The Voice," it says:

> "Phonograph records . . . It is our great joy and privilege to announce seven new phonograph records—vocal solos by Catherine [760] Rogers; and one trio—harp, violin and novichord by Lotus, Vinton and Virginia La Ferrera. Each of these records contains the lyrics and music by Godfre Ray King (our beloved G. W. Ballard) which are especially charged with powerful healing."

The black records, gentlemen, were also charged with healing. Then immediately underneath:

> "Price, each, $2.50. Postpaid $2.75."

The announcement of the blue phonograph records has been read to you gentlemen so many times that I am going to leave that go now. However, I will recall to your recollection what was said in that ad announcing them:

"We haye been working on these for some time and feel we now have them perfected to the point where we can offer them to the public."

Working on them for a long, long time. Trying to perfect this great healing power. And yet we had Mr. Goldberg, the man that made the records, here on the witness stand and he testified, gentlemen, that no formula was submitted to him, that he made them out of his regular record stock, that he could have made them out of red, black, or any other color. They were made of a different material, true; but that was a material he happened to have around in his factory at that time.

Gentlemen of the jury, I submit that when phonograph records are sold or attempted to be sold upon that representation, that they had healing power, that the defendants had been working on them for a long time, and the evidence shows that nobody had been working on them for a long time but that they were merely a commercial sale in the same manner as any other record might be made, then I submit, gentlemen, that that is fraud for which the defendants should be punished. [761]

One of the most pitiful of the representations, one of the most untruthful of many untruthful representations, one of the most reprehensible representations, is that found in a group leader letter dated June 30, 1939. Saint Germain is quoted as saying:

"In our Chicago class there were 10 cases where the people had gone to the hospital with cancer, with tumor, with various conditions, and the X-ray showed them when they started to the hospital. When some two or three days later they had a second examination they were gone. When thousands and thousands and thousands of such experiences have taken place, why do not mankind see? They were not gone until the messengers received the call."

Thus again lending an aura and cloth to the messengers that enabled them to cure these diseases which, if they progressed far enough, are known to be incurable.

Gentlemen, I am not saying that there aren't certain diseases that are known to medical science to be incurable that are ultimately cured by faith, but here where it is represented that thousands and thousands and thousands of such experiences had been true through calls given by the messengers, then I submit, gentlemen, that these people, having put on their defense, should produce some of these thousands and thousands and thousands of people that have been cured of cancer, tumor, and various conditions, to show that that cure has been accomplished. I am sure that those people are sufficiently grateful for the great aid they have received that they would testify here on the witness stand.

I know, gentlemen—if you will pardon a personal reference—a month ago today I lost a member of my immediate family who had been ill for years

suffering from cancer, and I know what it is to see a member of your family just waste away suffering from this [762] disease that takes everything out of you until, gentlemen, you almost feel it is a good thing to see them pass on. I know how I would feel if I were a gullible individual and felt that certain people had cured thousands and thousands and thousands of like diseases and that this one who was close to me and loved by me could likewise be cured, I would have done anything. I would have purchased any books. I would give any amount of love gifts that I could have, and many people, I think the evidence shows, did follow the Ballards on just such representations. That, gentlemen, is fraud.

Again that just wasn't an isolated incident. In a group leader letter dated January 7, 1938, we find:

> "The Great Tenor came forth for the first time in many centuries to speak to the Children of Earth: 'Certain compositions will heal cancer in an hour; others will heal the liver, kidneys, lungs, and other organs of the body.'"

If any compositions would accomplish that healing, they would certainly be the compositions with great healing power put out on the market by the Saint Germain Press, and naturally people would buy those compositions, and naturally, of course, some of these persons that have been on the witness stand, both for the Government and for the de-

fense, would believe anything stated in these group leader letters as purporting to come from an ascended master, and these compositions would be purchased.

Now, they also said, in this Great Tenor Discourse:

> "He brought out some wonderful points you will read when his dictation is published."

Consequently, in one short couple of lines, through their fraudulent representations, the Ballards accomplished, or tried to accomplish, the sale of various compositions, and not only that but tried to accomplish the sale of publications that were shown to come [763] on the market.

The subject matter of precipitation is one that we should deal with to determine what the Ballarrs said with reference to that subject matter to obtain their followers, their love gifts and their sales.

In the testimony of various Government witnesses you heard how Mrs. Schall, Mrs. Bliss and others attempted for hours at a time to accomplish precipitation, all without result. You heard Mrs. Ballard state that she had never precipitated anything except some points of light in her hand. Well, I put my hand out every once in a while and have had points of light in my hand, too.

In Mr. Bayborn's Discourse, it was stated in a group leader letter:

> "Look forward to reading it in full either in one of the new books to come out or in the Voice of the I Am."

Thus again plugging the books, like a movie trailer gives you just the little peek at what is going to come.

They also stated:

> "Today there are approximately 40,000 people among the I Am students who are nearing the point where they can call forth precipitation. There is nothing strange about it."

There doesn't seem to be anything reprehensible stated about precipitation there. It appears to be a very simple, natural law, and I submit, gentlemen, that if it is such that the Ballards, as the accredited messengers of the ascended masters, those mighty people who have never made any mistakes, those perfect beings, should have been able to precipitate and should have been able to precipitate some of their needs instead of taking money from poor people who had given much more than frequently they could afford to this movement through love gifts and through the purchase of books. [764]

It was also stated by Saint Germain:

> "You can just as easily find $10,000 in your pocket as 10 cents."

Again:

> "If the students of the I Am and all readers of these books will do as the ascended masters have requested in using these dictations, their own blessings will transcend their fondest dreams."

Again they emphasize the sale of books.

Then again Saint Germain stated:

> "In Europe for more than 100 years I precipitated gold wherever I moved and used it, but one must be wise in doing that."

The Great Divine Director, in a group leader letter, stated:

> "I say to everyone who is earnest and sincere, your complete financial release is coming."

Most all of us have some financial problems and if we thought, through giving a few of our dollars to the Ballards, which dollars mount up to a very sizable number when put in the aggregate, that we could have complete financial release, I am sure that we would give those dollars just as though those people have given theirs.

Again it was stated by Saint Germain:

> "As the world has recently offered a premium for more gold production, why not precipitate it and bless the world by its use? But, I shall not hold myself responsible for the questions that will be asked. When you do precipitate it, unless you have a mine from which you can supposedly have [765] brought it forth; * * * My idea would be to answer their inquiry, that it is none of their business. Simply say: 'Here is the gold, test it, if it is not 100 percent, you may refuse it. If it is, you are compelled to receive it by the laws of our Government.'"

Now, that discourse was in 1932. In 1933, from May to December, the Ballards wrote begging letters to a Miss Killen, Government's Exhibit 119, asking for $3,000 from her so that they could publish this book of the ascended masters, "Unveiled Mysteries." She said that if she didn't have $3,000, would she please send them at least $100 for the time being. And this was the period in which they were representing that they were having all these experiences relative to precipitation.

> "The precipitation of gold or jewels from the invisible to the visible is as simple as breathing, when once that foolish questioning doubt accumulated by the outer, is consumed or pushed aside."

Betty Mundy has no doubt, Louise Majerus has no doubt, Donald Ballard is one of the accredited messengers of the ascended masters, and he certainly has no doubt, and Mrs. Ballard, as the bigwig, the chief, of the entire organization, certainly could have no doubt whatsoever—to say nothing of William Cassiere and Paul Stickell, those traveling salesmen for the Ballards, they certainly would have no doubt—yet, gentlemen, have they managed to precipitate gold or jewels? If they have, I submit that we should have been told about it here in court. Possibly we should have had an example of such precipitation shown us.

Precipitation not only related to gold and jewels and money, but it also related to anything that one

desired. In other [766] words, the Ballards had a department store in fraud. Anything anybody wanted they could get.

Catherine Rogers was a very fine singer. She was told that her voice, by Guy W. Ballard, would have great healing power if she continued to follow in the stuff. That, gentlemen, is an example of precipitation.

The Goddess of Music, at Washington, stated:

> "One of the greatest authorities in Boston tells that the I Am students sing so far beyond the trained singers whom they have tried to get to do certain things, yet the I Am students do them with perfect ease."

Gentlemen, I submit that a bad I Am singer is just as bad as any other kind of a singer, and if such an authority in Boston, such a great authority, made such a statement, I think that we should have been privileged to have had that great authority among the other defendants' witnesses, many of whom traveled great distances to be here in court.

Ascension was another subject matter about which some people were drawn in on the line. The group leader letter dated November 2, 1937, says that Saint Germain said, at Washington:

> "If students maintain harmony in their feelings for two years only the great law would give them their ascension."

That was in 1937. Apparently again the students didn't maintain harmony, except for Mr. Ballard who, of course, himself ascended.

Ascension was an exciting, painless and adventurous sort of thing. You wouldn't have to pass through death, at least at first, until Mr. Ballard became quite ill and it was evident that he was going to die; you just sort of rise up in the air and would be able to come back and forth as you desired, become invisible or visible, [767] as you wished. Superman does that frequently, and it is a very interesting and exciting sort of thing. I am sure that we would all like to do that.

In the article in ascension in the May 1936 issue of "The Voice," it was stated:

> "All should understand that when one has made his ascension he becomes a Wholly Perfect Being of such Purity and Radiance that all who contacts him realize that he is superior in every way to all other beings. He can 'take his body anywhere he desires instantly' * * *
>
> "* * * the gravity pull of earth can no longer affect it. The body rises in the atmosphere and follows the thought, going instantly wherever the individual desires. By proper application the individual can release into and through his body the Light needed to increase the vibratory action to the point where the body can rise into the air and become invisible or visible as the Ascended Masters are able to do."

That sounds as though it came from Donald Ballard and his Popular Mechanics.

Saint Germain again said:

> "I say again, your Ascension with the little obedience asked is assured and is as practical as anything in your mechanical world."

Again apparently the student body, not being satisfied with these mere claims of ascension, when they would come about in the future, wanted something more specific, so Saint Germain satisfied [768] them at Cleveland on March 15, 1938. He said:

> "On next Sunday there will be 10 ascensions! five from the Cave of Symbols in America and five from the Retreat in Arabia. The five from the Cave of Symbols are your own beloved American people. Those from the Retreat in Arabia come from five different countries: One from South America, one from Australia, one from France, one from England and one from India. * * *
>
> "Providing the great sincerity, the great honesty and the great loyalty of this great group of students continue, it is not impossible that ere long this may be produced in the outer world visible to all."

No wonder they are honest and loyal and sincere. They want to see the ascension.

Continuing:

> "This is a very tremendous thing! It is the only time in the history of the earth that this number of people will have made the Ascension in one day. Those from the Cave of Symbols

will make the Ascension at 2:00 o'clock, those from the Retreat in Arabia at 8:00 o'clock in the evening. That will be your time here (Eastern Standard Time)."

You note, gentlemen, how specific they are. It is a great point of salesmanship, to be specific. Eastern Standard Time these ascensions are going to be made. The only thing they failed to tell was the directions of how to get to the Retreat in Arabia and the Cave of Symbols here in America. That was the only thing that was missing. Of course, that was the only thing they couldn't tell. [769]

Ascension was promised after death for the first time about a year prior to the death of Guy W. Ballard. Guy W. Ballard, according to the doctors' testimony in this case, gentlemen had been ailing for some time. It must have been obvious to Mrs. Ballard and Donald Ballard that—and Mr. Ballard himself—that one of these days he was going to die. It must have been obvious that he would have to obey certain laws that our state has and have his funeral, as other folks do, or be cremated, as other folks do. Consequently, something had to be decided upon, some answer had to be given to these people who were going to ask about this, why the accredited messengers of the ascended masters had to die, why he didn't make his ascension. So the new dispensation came out for the first time in many, many countless age-long centuries, and it had to come out just one year prior to the death

of Guy W. Ballard. It is quite a remarkable thing.

Now, another subject matter in which we should touch briefly is that of cataclysms. We have to define our terms in all of these subject matters and see exactly what the Ballards did say. That is why I am going to sum this up to you.

Cataclysms, in a group leader letter dated March 11, 1939, the students were instructed to attend one or more of the 10-day classes "in the very near future so you can be ready to render assistance without limit when the cataclysm comes."

That was in 1938.

The Mighty Cosmos, at Los Angeles, said:

> "These books of Saint Germain's are priceless to mankind today and human beings upon this earth had better find it out. Let me tell you their time is getting shorter all the time."

Also Saint Germain said:

> "You have not known it, but before [770] the Messengers came, your city was in great danger. We knowing it, timed the class here with direct intent, feeling confident that we could give the Protection and Assistance which was necessary, and it has been done."

That was San Francisco, gentlemen, our sister city, which was saved by the messengers. If my city of Los Angeles were saved by the messengers, as no doubt it has been countless and countless of times, I would have been most willing to buy all the books they published and to continue to con-

tribute love gifts, as did the followers in San Francisco and as do the followers here in Los Angeles.

Here is an interesting fact: At West Palm Beach in 1937 the Goddess of Liberty stated:

> "The devastation that has been planned for your America, make no mistake, would have begun more than 18 months ago, if it had not been for the tremendous Power released by Saint Germain through the Messengers."

Again in 1938, a few months later, at New York City, the Goddess of Peace says:

> "Our records show great devastation has already been prevented in your land. You can scarcely comprehend, I realize, how great has been that protection and blessing. Your city where you rest so serenely tonight would not have been here the past 18 months, if it had not been for the call to the Light."

Just as 20,000 was the figure that the Ballards liked so much as it related to the subject matter of healing, here, as related to the subject matter of protecting cities and protecting and saving America, 18 months was the time they hit upon. All cities [771] have been kept from destruction for 18 months by the Ballards. It sounds pretty good, and it went over in one town and probably it would go over in the next town.

Now, so far as a specific date for a cataclysm is concerned, that is quibbling. I don't know whether specific dates were actually mentioned or not.

In September of 1936, Mrs. Jane Ferguson, who was a woman that I believe we can all think was telling the truth, stated that a cataclysm had been promised by the Ballards. She, as an appointed messenger of the ascended masters, certainly wouldn't make any mistake because Mrs. Ferguson, who was at that time actually a believer in the Ballards and their organization, was an appointed messenger.

Again, for a specific date, in a group leader letter dated June 24, 1938, it says:

> "Saint Germain says a mighty wave of cosmic light will strike the earth on the opening day of the Shrine class, July 1st, and on the closing day, June 17, 1938, another will come 10 times more powerful than any to date."

Now, what a cosmic light is, I don't know, but it sounds like a cataclysm to me. And I know I was here in Los Angeles on July 1, 1938, and July 17, 1938, and cataclysm or not, I know that there wasn't any great wave of cosmic light striking at the Shrine Auditorium or any other place here at that time.

Is this supposed to be a mechanical law which can be measured by science? We have heard nothing from any other source except the Ballards about this great cosmic light striking here in our beloved city of Los Angeles about that date and, thank God, it didn't come.

Now, I am about to proceed to a new subject matter, your Honor. [772]

The Court: Gentlemen of the jury, you will re-

member the admonition I have heretofore given you.

We will take our usual recess until 2:00 o'clock.

(Thereupon, at 12:00 o'clock noon, a recess was taken until 2:00 o'clock P. M., of the same date.)

Mr. Lazarus: Gentlemen, when we left at noon, I just finished up the subject matter of ascension, precipitation and various other matters that I told you were representations made by the Ballards and the other defendants in this case to get and keep their followers in the movement so that books could be sold and love gifts obtained. I was just about to come to one further subject relating to another representation, and that is the subject of black magicians, and carnate and discarnate entities. So we will leave the 20th century for a moment and go back to the middle ages and discuss the black magicians of the defendants in this case.

We find here ignorance and superstition on the rampage, but we aren't interested in that, because the only thing we are interested in is to determine whether the defendants actually did believe in these black magacians that they represented, and if they did then the case, as far as that particular portion of it is concerned, has no interest to you as jurors and should not be considered by you.

However, there are various things relating to these black magicians, or so-called black magicians, that we think will show that the defendants could not possibly have believed the representations they were making with reference to them.

Now, you will recall on cross examination I pointed out to the defendant Edna W. Ballard that in August 28, 1936, according to the testimony of Mrs. Schall—she was corroborated by "The Voice" magazine of October 1936—Saint Germain said:

> "The last of the powerful black magicians have been seized, bound and taken [773] from the activity of the earth forever."

Then I pointed out to her that on November 15, 1938, Archangel Michael, in Philadelphia, talked about the black magician who caused the Liberty Bell to break there—that is the first time I had ever heard of that theory—but Archangel Michael came out with that, and went on to say:

> "The black magician who was the cause of it has been seized and removed. Five of the 12 black magicians who remained in America have been seized tonight with these entities."

Now, Mrs. Ballard, glib prevaricator that she is, immediately said, "Well, now, these weren't powerful black magicians; these were just ordinary black magicians."

There were two schools of black magicians, the powerful ones, the last of which was seized and bound and removed from the earth forever in 1936, pursuant to the portion that I read, according to Saint Germain, but there were still black magicians not quite so powerful remaining, and those were the ones that were being destroyed.

Mrs. Ballard has been an actress, gentlemen, for at least 10 years, during all the time that she has been on the platform at the Shrine Auditorium and the Trinity Auditorium and various other places. She has been fooling the people that have been before her, and it was her hope, no doubt, by these glib representations of hers and these distinctions between black magicians and powerful black magicians, that she could fool at least one of you gentlemen, because she only has to fool one in order to hang the jury.

Now, I want to call your attention, gentlemen, just showing the manner in which this woman, this adept prevaricator and the east with which she does so, to the book "Ascended Master Light," pages 139 and 140, where they refer again to powerful black [774] magicians. I thought Mrs. Ballard had something for a moment there that I had to say, "Well, of course, there couldn't be any difference between powerful black magicians and black magicians"—there can't be, as we well know—but I thought she had found really maybe a good answer, according to her own standards at least, but all I had to do was hunt in the books and I found that after this date in August 1936, that is, on November 1, 1937, the Mighty Astrea—which is another ascended master—came forth and said:

> "Last night in your city, another powerful black magician was seized and taken from the earth's atmosphere. This individual, or shall I say those individuals always have physical

bodies which give them power to act within the atmosphere of earth. That is the reason why they act sometimes very powerfully."

So we see that Mrs. Ballard's distinction between powerful black magicians and black magicians just doesn't mean anything as, of course, it never did.

It is interesting, too, to note that in the Mighty Astrea's description of black magicians, they said that they always have physical bodies which give them power to act within the atmosphere of the earth. In other words, they are not anything intangible, something that you can't lay your hands on and see yourself, but they have physical bodies. Bear that in mind, gentlemen.

Now, there are feminine black magicians, too, as the Great Tenor came forth and told us on January 2, 1938, "They are very, very cunning, apparently much more cunning than the masculine black magicians." They are also removed from time to time. Very interesting. Very exciting.

The Goddess of Peace, New York City, May 19, 1938, as set forth in "The Voice" of July 1938—in case I got that particular [775] ascended master wrong, I have it written here as the Goddess of Peace, but I don't recall that ascended master before. There are a number that I can't remember from time to time. At any rate, that particular Goddess of Peace, speaking in the "Voice" of July 1938, pages 12 and 13, told people how to destroy black magicians.

Now, if you and I were prospective students of the I Am organization, willing to give love gifts and purchase books, we certainly would be made much more interested in so doing if we were taught how to actually destroy black magicians that are surrounding us in physical bodies all the time. It would be very interesting to destroy black magicians.

The way to do it, according to this formula, is you raise your left hand, you point with the right, and you say, "You have no power! You have no power!" and the black magicians hide, and say, "Don't! Don't do that!" and that is the way you destroy black magicians, and this formula is all given for the price of a few books and a few love gifts.

The black magicians who were strike agitators—of course, we all want to destroy strike agitators when the strikes aren't justified—and in the group leader letter of November 10, 1938, the black magician was seized and removed who was a strike agitator.

Not only that, but there is definite sadism apparently here and an attempt to appeal to the terrifying:

> "Eleven of his claws were seized and removed. At the same time there was seized and removed the black magician who is in back of the individuals broadcasting against the Ballards in Canada."

People who don't like the Ballards have black magicians in back of them, and from time to time they are seized and removed. If you notice any commotion in back of me, gentlemen, you will know that it is my black magician being seized and removed. [776]

Now, you will recall that at the outset of this trial a number of witnesses for the defense were asked, with reference to the subject matter of "Don't believe us, prove us." "Didn't you hear the Ballards say time and time again, 'Don't believe us, prove us'?" and the first few witnesses said they did, and then we read a certain number of extracts to them, and that particular subject matter was no longer pursued by the defense. Apparently they felt that they had proved their point, or at least they didn't care to pursue it any further.

From time to time the ascended masters would make threats. If anybody once got in the movement they had a very, very difficult time leaving the movement unless they absolutely failed to believe altogether. If they had any doubts whatever they would be afraid to leave this movement because of the threats of these gods, the ascended masters.

As an example of that, we find Mighty Cosmos at Los Angeles saying:

> "Dear ones, better had a rattlesnake woven itself in among you than the poisonous breath of doubt."

And again:

"The insane human beings that try to spread doubt concerning the Glory of these Messengers * * * should be shut up forever. They are binding themselves with that to which your prison walls on your earth are no comparison. I warn them this once and for the last time!"

And Saint Germain, in Los Angeles:

"It is easy enough to keep out of doubt, if you do not listen to falsehood and every word that is uttered against these [777] Messengers and This Work is falsehood. That should be known without anybody telling you! If you listen to it, and respond, the penalty is yours. This is definite—very, very definite."

The Goddress of Justice, Mrs. Ballard's counterpart, stated, Easter Sunday, at Chicago:

"The puny mind of vicious individuals who allow doubt to govern them concerning My Words today, I tell you beware! You are dealing with Forces! You are dealing with Power! As your life depends on it, don't go forth from this room, one of you and doubt my Words!"

She also stated:

"Remember, beloved students, the time is rapidly approaching when not one person who doubts these Messengers will be allowed to come into the classes and remain. Not they will judge, but We."

Then again Saint Germain talks about the G-Men and the Intelligence Service. He apparently is up on everything, or at least the Ballards have informed him about everything. He stated:

> "Remember, beloved ones, aside from what your outer magnificent service, your G-Men and the Intelligence Department are doing, we do a great many things that none of them know anything about. We have our own means of causing people to disappear."

You, as a loyal I Am student who began to allow any doubt to creep in at all, hearing that Saint Germain had his own way of permitting and providing for the disappearance of individuals, would [778] probably no longer cease to doubt very much, if you were the type of individual, of whom there are many, who would believe this at all.

There were not only these general threats made from time to time, but threats were made against specific witnesses who were here on the witness stand for the Government. Virginia La Ferrera, the organist, who was with the staff of the Ballards, stated that she was told by Mr. and Mrs. Ballard that if Saint Germain felt he had to dismiss her from the staff with her husband, that they wouldn't live six weeks in the outer world, and that they would writhe in agony and go through the second death.

There was no reason for Virginia La Ferrera to try and mislead you, gentlemen, she was a believer

and a follower of the Ballards for many years, followed them around the country. She was up here to tell what she knew about it after she finally left them. There is no reason in the world to believe that she would prevaricate.

Catherine Rogers also testified that she was told by Mr. and Mrs. Ballard that if she and her husband continued to doubt, that they would be dismissed and would lose their physical bodies and pass out in death in six weeks from the time they were dismissed from the staff.

That is quite a threat, gentlemen. Of course, the ascended masters have a very, very keen sense of humor, according to Mrs. Ballard, and possibly they were merely exercising this sense of humor, but for one who believed, possibly he or she wouldn't think that this was humor on the part of the ascended masters, but would actually take this seriously.

Mrs. Rogers also was told that she would certainly lose her voice if she left the activity and be a social outcast.

Colonel Edward P. Bailey, this old English army officer that came here on the witness stand, I think he testified that he was 75 years old at present, was told in a letter, which is [779] Government's Exhibit 183, the letter was signed by Saint Germain, and we all know, after Mrs. Ballard's testimony, who wrote those letters—she told him in that letter:

"Dear Colonel Bailey:

"You are now dismissed from any further privilege or authority to serve the Messengers,

> Myself, or any of the other Ascended Masters in this embodiment * * *
>
> "Too late will you cry out in agony for the mistake you have made. Your earth span is very short."

At that time Colonel Bailey was about 70, and possibly, by the law of averages, it might be felt that Colonel Bailey did not have very many more years here on earth, but despite the ascended masters and the accredited messengers of the ascended masters, Donald and Mrs. Ballard, Colonel Bailey is still here, his earth span has not been very short and he has survived for some number of years since that threat was received by him.

We find other representations keeping people in there. Theatrical effects were resorted to throughout. Mrs. Ballard was a great stage manager and put on a great show. She kept up with current events, too. When we no longer liked the Nazis and the Germans, Mrs. Ballard arranged for Ascended Master K-17, of the inner secret service, to come forth and destroy German submarines and dissolve enemy airplanes.

I say to Mrs. Ballard, if we needed K-17 before, we need him much more now, and I think he should come forth and dissolve every ship in the Japanese fleet, every ship in the German fleet, and every submarine in existence. I don't see possibly how, in light of what has happened since K-17 first came forth and started destroying German submarines,

that the Ballards or the other defendants in this case could possibly have believed what they [780] represented. They were too close to the picture. They knew that these were merely figments of their imagination, something that was the catchword of the moment, which was brought for the purpose of fooling the believing.

We find Donald Ballard giving a very theatrical talk at the Shrine Auditorium. His talk was given in July of 1936. He started out by telling the student body that he was going to discuss two matters of great national import, the first matter was the story of how the ascended masters can pass through solid substances, as they will, and move thousands of miles within the space of a few minutes.

Donald Ballard, the boy who, at the time a deposition was taken, some few years back, when he had no indication to try and fool anyone—it wasn't a criminal fraud charge—Donald Ballard, the boy who at that time said he never had had any experiences with the ascended masters as far back as July of 1936, prior to the time that—I beg your pardon; I withdraw that.

Donald Ballard stated in his deposition that was taken in the case of Ballard v. Ballard, which was not a fraud case, had nothing to do with this, he had no reason to fool anybody, that he had had no experiences with the ascended masters, yet here he is in July of 1936 addressing multitudes at the Shrine Auditorium, telling them how the ascended masters passed through solid substances, as they

will, and move thousands of miles within the space of a few minutes.

These are pseudo-scientific trimmings that were given there, that Donald Ballard in his vast reading on scientific subjects, no doubt picked up.

The second matter of national importance that Donald Ballard talked about—it was read by his own counsel, Mr. Cannon, after I read portions of it—was on the subject of the forthcoming presidential election.

I submit, gentlemen, that these theatrical effects, these [781] various statements made by the Ballards throughout their entire method, had to do with the subject of hypnosis, in a sense at least.

These people, these followers, were subjected to certain hypnotic practices in one manner. The fact that the Ballards themselves realize and understood mass hypnosis is found in the talk of Saint Germain given at Washington, D. C., in May 28, 1939, where Saint Germain says:

> "Take an agitator and in the people who do not think for themselves, in ten minutes he can stir the feelings of that group into a white heat against the thing about which he is talking. That is mass hypnosis of the feelings of the individuals, because those qualities are destructive."

And that same thing in reverse is what was used to stir the people up into a white heat and get them to believe these representations of the Ballards for their own selfish ends.

Virginia La Ferrera was one example of that. She testified that she gave herself up completely to the Ballards, and during her association with them she had no will of her own, she was in a complete daze during this entire period, she testified to on cross examination by Mr. Cannon, and I think that her testimony showed that that was true.

Margaret Huntley Schall, Senator Schall's wife, made exactly the same statement, or in effect at least.

Dr. McClenathen, their own expert, testified that the color blue, which is used throughout in their various articles, has a well known hypnotic effect.

The manner in which the decrees were given, dynamically, all repeating them together, I think would serve to get the students in the frame of mind that the Ballards wanted them in. And in a [782] group leader letter dated June 24, 1938, the instruction was given:

> "Hurl forth those mighty decrees. Give our great ascended friends that which they must have to save all mankind."

And just picking these decrees up at random, the first one is "Blasting Decrees":

> "'I Am' blasting! blasting! blasting! all destructive vibration!
>
> "'I Am' blasting! blasting! blasting! it right Now thruout our Nation!"

And it goes on for three pages of blasting anything that apparently happened to come into the Ballards' heads.

And that, at 2 cents a page, gentlemen, from students all over the country, it mounts up in time, you know, 2 cents a page plus postage.

Then after the "Blasting Decrees," there are miscellaneous decrees, here are some more "Blastings," and "Blessings" in the miscellaneous decrees.

Then there is a decree for the "Coming Elections:"

> "'Mighty I Am Presence,' Great Host of Ascended Masters and all Great Beings and Powers of Light from the Great Central Sun! Come forth in your limitless Overwhelming Presence and take possession of every person in America! Charge forth Your Irresistible Dazzling Light in the coming elections and see that only individuals who serve the Light are elected and placed in all Governmental offices and positions! See that only those who serve the Light remain in them in the future. Place Ascended Master Friends of the Light in every position of authority and power in the United [783] States of America and hold them there to produce and maintain the Victory of the Light in full possession of America forever, until all are free in the fullness of the Ascension!

You can understand, gentlemen, how something like that, decreed dynamically by all the students at these classes, sometimes 5,000 and 6,000 strong, can place a person in a very receptive state of mind.

In any event, the next decree we have here is the

"Annihilation of Death Ray," "Protecting our Government," "Dissolving Secret Submarines and Mines," "Panama Canal and the Three Americas," and so on.

God help our country if we have to rely on K-17 to seek out and sink enemy submarines, and that is what these people would have us believe that we have to do.

The next one is "Silence Tongue and Pen of Those Opposing This Light." Again this light, "Don't believe us, prove us."

Now, you will remember, with reference to this subject matter of decrees, that Mrs. Fowler received a letter from Edna W. Ballard saying that since the new decree book had been out Daddy Ballard's previous instructions were countermanded and the students must all repeat the decrees in unison instead of phrase by phrase. The obvious purpose of that was to sell these decree books and these individual decrees to all of the students personally and thus increase the sales of the Saint Germain Press; that that was recognized by one of the defendants is evidenced in the testimony of Mrs. Fowler—who is a mild woman and apparently had no reason for coming up on the stand and telling anything other than the truth; she was a follower of this movement until approximately a year ago when she managed to break herself loose—Mrs. Fowler came on the witness stand and said, after she had received that letter she discussed [784] its subject matter with Bill Cassiere, Brother Bill, one of the defendants here,

and he said, "Don't you know what that is for? So that they can sell more decree books."

Brother Bill, as we will see later, was a little cynical about this entire scheme from time to time throughout his entire association with the movement, and here is what gave his hand away.

Now, I just want to point out the organization, the manner in which the Saint Germain Press and the Ballards organized this fraud.

First we find the Staint Germain Press, with 100 percent of the stock owned by Edna W. Ballard, the great Central Sun. Everything revolved around the great Saint Germain Press. There was the Saint Germain Foundation, which was supposed to spread the light, but how it spread the light, but how it spread the light, we have had no testimony whatsoever, except that a few libraries got copies of this book in hopes, no doubt, that people would read the books, become interested in the movement, buy them themselves and give love gifts.

We also find that the Saint Germain Foundation, that great charitable organization, gave a 27-cent book to a woman that paid a dollar deposit when the book really sold for $3; or maybe they figured that that profit of $1, less 27 cents cost, was a little better than refunding the dollar. It is just good business.

The most important thing in this entire organization were the books. The Saint Germain Press, in turn, revolved around these books. They were true, terrific adventures of the Ballards. The books, in

turn, gave the Ballards an aura of divinity. They were the accredited messengers of the ascended masters, they were divine beings, consequently the books advertised the classes. It is like cross-ruffing in bridge.

The books built up a following for the classes and paved the way for the giving of love gifts. [785]

Then we go to the classes. The classes were exciting, too. You will recall at the class where it was testified by Mrs. Schall of the kidnaping of Donald and Marjorie, how it was related that the Ballards worked the people in the Shrine Auditorium up to a great frenzy of excitement when Donald and Marjorie came in late saying that they had been kidnaped by people opposing the light, and when they came in a little later the next day Saint Germain, in a discourse, said that the ascended masters had broken the car down, that the car was in lack of repair because the ascended masters wanted to keep them from the kidnapers, to delay them, in other words; so that they wouldn't be ambushed.

However at the classes, just as the books advertised the Ballards and thus the classes, the classes in turn adverised the books. Stickell and Cassiere, apparently, are the only other two people that conducted these classes throughout the country other than the Ballards. There were groups throughout the country, but the ten-day classes, the 17-day

classes, and the two-day classes, were only conducted by the Ballards and their territorial representatives, Bill Cassiere and Paul Stickell.

At all these classes the books, charts, pictures, and songs of the organization were advertised. The Ballards were advertised too, It was good business for the Ballards to allow Brother Bill and Brother Paul, as possibly he calls himself, to go around these various places throughout the country and pick what is left on the bone and at the same time plugging the books of the Saint Germain Press and plugging the Ballards themselves so that the pickings for them would be fatter at their next class. One of the most revolting things of this entire nefarious scheme is the fact that, as one of their ascended masters who was their chief salesman, they used Jesus. Now, I want to refer to the editor's note at the beginning of "The I Am Discourses." This was written by Lotus Ray King whom we all know as the accredited messenger Edna W. Ballard.

[786]

"The words of Jesus, as quoted throughout this series of books by Godfre Ray King, and the ascended masters are the authentic statements He uttered, although they do not always agree, verbally, with some versions of the Christian Bible.

"Jesus has spoken again, on the visible light and sound ray, and made this point clear, saying:

"'It it unfortunate indeed, that some of

the scriptural statements have been clouded by human concepts; yet I am thankful indeed that many have remained unaltered.'"

Now, Jesus, on Christmas Day of 1935, in a discourse contained in "The Voice" magazine, which has the printed signature "Jesus the Christ," states:

"No one thing, since my ministry 2,000 years ago, is of more vital importance to mankind than the chart of the 'Presence,' which is available to the students."

Jesus is a man, gentleman, we all know, who was opposed to commercialism, was opposed to any of that nature whatsoever, yet here he is the prime book plugger for the Ballards, their organization, and the other defendants.

Again we find Jesus saying, in that same discourse:

"As more and more of mankind receive and apply this wonderful freedom, which the I Am Discourses give, with the assistance of the Great Cosmic Law, they will see and understand what a privilege is theirs to give this assistance."

Again he says: [787]

"The students will be wise indeed, no matter how great their inspiration, to stand steadfast in their use of 'Unveiled Mysteries,'" (parenthetically I might say at $2.50 a crack) "and 'The Magic Presence,'" (at $2.75) "'The I Am Discourses,'" (at $3) "'The I Am Adora-

tions and Affirmations,'" (at various prices; those are my own conclusions) "for those words are cups that carry the fullness of the ascended master's perfection into the consciousness of the individual; and there is naught else in the outer world today, that will carry this conviction with so great a power."

Again in Oakland in 1939 he states:

"When I think of all the magnificent things that are brought forth, I wish to just mention one, the animated chart." (Parenthetically, at $200) "My dear ones, it is one of the most magnificent things before mankind today."

Saint Germain was Jesus' assistant, as far as selling books was concerned. In 1936 he stated:

"Therefore, it is absolutely imperative that no discussion of any kind ever be allowed to enter, the entire time and attention during the group meetings being held—unveeringly—on the reading of 'The I Am Discourses,' 'The Magic Presence,' 'Unveiled Mysteries,' and 'The I Am Adorations and Affirmations.'"

Saint Germain goes on to say there: [788]

"This is Jesus' own request because the need of the present hour is so urgent, that unless the attention of the students is concentrated on the ascended masters and their channel of help, there will not be enough light released into the physical world and activity to give the protection required."

Now, we find in group leader instructions No. 3 which can be purchased by various group leaders from the Saint Germain Press so they might, at a price, be able to know how to conduct their groups—realize again, gentlemen, that everything here is purchased, everything here is profit—it is stated, and I am quoting from that group leader instruction:

> "It is Jesus' and Saint Germain's request that those whose inner sight is opened refrain from telling others what they see; as each individual is expected to keep his or her personal experiences guarded within each one's own heart as a sacred, silent secret gift to such a student. If this is not done, the blessing is lost."

The reason for that is obvious, gentlemen. If you don't tell people what you don't see and you don't hear from them what they don't see or hear, again you think there is something within yourself that keeps you from maintaining complete harmony, and the other students are having these transcendant blessings that the Ballards assured them they can have, but that the students who were not having them just hadn't quite reached the point where they got harmony enough to realize those experiences themselves.

As each class left the particular city, whether it be Los Angeles or Philadelphia or Boston or New York, or wherever it is, whether conducted by the

Ballards or by Paul Stickell or by William [789] Cassiere, they left behind them, if they were not there already, groups. Those groups were self-sustaining. They supported themselves at all times and they purchased all of their supplies from the great Central Sun—that is the Saint Germain Press again—so we find first the books, then the classes and then the groups, and those groups have, of course, added to the returns of the Ballards, and also those groups had another purpose besides purchasing supplies from the Ballards. They plugged the Ballards, the accredited messengers of the ascended masters. Also the appointed messengers of the ascended masters, Bill Cassiere and Paul Stickell, were further plugged so that when they gave classes in that city the next time those groups and all their friends attended and gave love gifts in great quantities, much to the financial reward of those men, Stickell and Cassiere, and that woman, Mrs. Ballard.

Even the group leader letters which went out from time to time to the groups throughout the country, informing them what was going on in various other portions of the country—if there was a group in Boston, this group leader letter would go there and state what Saint Germain had just said in Philadelphia or New York or in Los Angeles. The reason for that is obvious: Again advertising and preparing the groups for the slaughter when the messengers came. But even those group leader letters were sources of revenue. Practically every

one of them—and they are all here in evidence—bear the notation "Postscript: These letters are made possible by love gifts from students everywhere. Bless their hearts."

Now, we have finished up classes, groups, and books, and we find that there is one other principal division which revolved around the Saint Germain Press, and that was the radio advertising. The time was always purchased by the students or groups throughout the country. It was not purchased by Mrs. Ballard herself. These transcriptions were made by Mrs. Ballard, rented for $20 a record, and, undoubtedly, were a considerable source of revenue in and of [790] themselves. But even more than that, at the end of the records there were spot announcements, according to Mrs. Ballard's own words, when there was time for it, announcing where the books could be obtained, what the books were, and announcing the next meeting of the messengers. Consequently, the students who were urged and entreated to put these broadcasts on for the protection and the saving of America were in reality, unbeknownst to themselves possibly, advertising the Ballards and again preparing themselves and those who had not seen as yet the light for the slaughter which was to be theirs the next time the Ballards came to town.

This group leader letter dated February 22, 1940, states:

"Saint Germain asked that the transcriptions be placed everywhere possible—if you cannot

> put these broadcasts on in your own city or state, you can assist someone else and in so doing you will find it amplified and returned to you a million-fold—so we will see that all funds sent in are used where they will bring the greatest help."

So when Mrs. Ballard gets here on the witness stand and I try to pin her down and find out what these funds are used for, these funds that came in in great profusion, the only statement she makes is that she gives books away and once in a while Saint Germain tells her to give to some needy individual. Although we pointed out in another exhibit that Saint Germain instructed her that these funds were not to be used for private purposes, Mrs. Ballard gets on the witness stand and says she puts broadcasts on in Los Angeles and for some of those she pays herself. Where does she get the money to pay for those broadcasts? Did she take it out of her profits? No. She takes it from money that comes in from group leaders' letters that go out to big and small communities. The small communities can't afford to put on the broadcasts so they send in money to have broad- [791] casts put on where they will bring the greatest help, and Mrs. Ballard uses it here in Los Angeles where there are lots of people willing to buy these books and give these love gifts.

Now, the principal subject matter that we have to discuss here is the subject matter relating to

the deceit practiced by the Ballards upon their followers. We have to develop, we of the prosecution, that Mrs. Ballard and the other defendants here did not actually believe the various representations that they made. We can only do this by inference for the most part because there are very few occasions when Mrs. Ballard or any of the other defendants would come out and say, "Now of course, we are a bunch of fakers, but we are getting rich and we are eating the pie and we are liking the pie." There were very few occasions when they came out that way, so we have to do this by inference.

On the subject matter of deceit, the first thing I wish to call your attention to is the Mount Shasta letters which are in evidence as Government's Exhibit 203. We find Guy W. Ballard up here on Mount Shasta, California, trying to write stories, and at that time he is writing to Mrs. Ballard in Chicago telling her various things that are going on in his mind—letting himself loose in other words.

Letters in some sense are written in a peculiar style. The Ballards had been theosophists for some time back prior to their starting this movement of their own. There are bits of those letters which tell more in a few words than I could tell in many hours. I will try to give you a few words and cut down the hours.

I want you to bear in mind the fact that Mrs. Ballard has claimed again and again that these were actual experiences of Guy W. Ballard, herself

and Donald Ballard. She said that in the Biltmore interview. She said it here on the witness stand, and she stated everything in the books is true.

Now turning to the book, the first page relates that Mr. [792] Ballard was up in Mount Shasta. The first chapter is called "Meeting the Master."

He states, "I had been sent on Government business to a little town situated at the foot of the mountain."

Now, Mrs. Ballard knew that Guy W. Ballard wasn't at Mount Shasta on Government business and that when he claimed that, it was just one portion, one of the representations he made in the books that he was misrepresenting, that he was making a fraudulent misrepresentation. The reason I say Mrs. Ballard knew that was that, despite the fact she in the interview at the Biltmore Hotel with the post office inspectors said Mr. Ballard was up at Mount Shasta working for the Government from the inner angle, she knew to the contrary. In these letters, the letter dated August 11, 1930, Mr. Ballard states:

> "I feel so impelled to get a post office lock box; it is 45 cents for three months, as that is the time I have given myself to make good in the writing."

What was he there for? He was there to write.

> "I think I will get a box; then can get any mail that comes on Sunday."

Also in those letters he stated:

> "Please get me all the information you can as to the length of short stories. The kind most salable."

Mr. Ballard was again interested in selling short stories, the thing that he was writing up there at that time.

Then in the letter dated September 4, 1930, it states (Mr. Ballard is writing to Mrs. Ballard):

> "I am getting a little more speed on this machine. Thank the Lord. Yes, it was offered to me. Oh! I am having a great [793] time to really feel and know I am accomplishing something I have longed to do."

He is writing he has always wanted to write and here he is writing:

The letter dated September 29, 1930, stated:

> "Gee, this is all more fascinating than a Sherlock Holmes.
>
> "I hope in the next letter you will have read the manuscript. Can hardly wait for your comment."

Also he states:

> "When you read 'Unveiled Mysteries,' if you love the first book, you will worship the second."

Now, that is very significant. Mrs. Ballard has stated that that second book referred to related to the "The Magic Presence." She so stated on the witness stand. You gentlemen will remember it.

Here on September 29, 1930, when this letter is written, Mr. Ballard is having these allegedly true experiences which take place all through the year 1930.

I refer to page 244 of "Unveiled Mysteries." It says:

> "Many weeks had passed and the morning of December 31, 1930, came, and with it—the Master Saint Germain."

So here we find a reference in this book to December 31, 1930. Mr. Ballard is writing this letter on September 29, 1930, telling about everything in the first book and already planning the second group of experiences that he had in the second book. Even before the date had transpired when the first group of experiences must have taken place.

Mrs. Ballard persists in saying that these are true adventures. Another quotation from that letter of September 29, 1930, [794] is the statement of Mr. Ballard:

> "You can use Brother XIV if that seems right to you."

Apparently Mrs. Ballard was supplying the names of some of the ascended masters and Brother XIV was one of the suggestions. However, it doesn't appear to be in the books, so she apparently put the kibosh on that.

In a letter dated October 1, 1930, Mr. Ballard wrote to Mrs. Ballard:

> "I have been so steady at the typewriter, haven't had a minute to get word to you, so I

am making one grand rush now to get this off to you. I am now underground on the Madiera, branch of the Amazona."

That doesn't make sense. Here he is up at Mount Shasta writing a letter to Mrs. Ballard now saying he is underground on the Madiera, branch of the Amazon. It doesn't make sense if we look in "Unveiled Mysteries" on page 174. On page 174 of "Unveiled Mysteries," these true experiences taking place at the times and places mentioned in the book, we find it written by Godfre Ray King, the author:

"We rose above the earth and passed forward, following the Amazon to a point 56 degrees west longitude. There, we took observations, and then proceeded to a point 70 degrees west. Saint Germain explained that this was the locality for further observation and research. The section he indicated covered the Amazon between these two points, and also two of its principal tributaries, the Jurua and the Madiera Rivers."

So here we have Mr. Ballard up in Mount Shasta writing to [795] Mrs. Ballard telling her where he is in the manuscript. He has got as far along as where they are at the Madiera, a branch of the Amazon, and Mrs. Ballard ever since that time persisting in the statement that these are true adventures of Mr. Ballard and of herself and Donald Ballard.

Now, gentlemen, another significant matter here, as far as these Mount Shasta letters are concerned

—oh, another thing before leaving that. The defense might get up here and deny these are related to be true experiences or explain away the testimony in some way, but you gentlemen will remember not only all of the Government witnesses testified that they actually believed these to be true experiences and they heard them so represented, but the defendants' own witnesses one after another got on the witness stand and testified that these certainly were true adventures and experiences of the Ballards, the accredited messengers of the ascended masters.

We look to these Mount Shasta letters and we find some other interesting things. Mr. Ballard, in the first chapter, is learning all about precipitation. Saint Germain is showing him a gold piece which he precipitated in the palm of his hand, and Mr. Ballard has been shown by Saint Germain that a certain creamy liquid can be precipitated; and yet Mr. Ballard himself is having the most prosaic, unpleasant experiences up at Mount Shasta. The letter of August 11, 1930, says the post office lock box costs 45 cents for three months and he is wondering, poor as he was at that time, whether he should spend the money for it. He was a poor worthy man at that time, apparently.

The letter dated September 4, 1930, says:

> "The M. W. catalog" (we can safely assume that is the Montgomery-Ward catalog) "sure gives some good ideas all right as to article, quality, price, and etc." [796]

Then it says in the letter dated September 29, 1930:

> "Yours of the 27th received with $2.00 enclosed. Thank you so much."

Here was Mr. Ballard learning about precipitation, the accredited messenger of the ascended masters!

Now, another interesting thing is that the Ballards throughout are telling their students how they can accomplish their own personal well being by following the instructions of the Ballards, by giving the decrees in a certain manner, reading the book in a certain way, and yet in this letter of September 4, 1930, from Mount Shasta, Guy W. Ballard writes to Edna W. Ballard:

> "I sure am mighty glad to have the prescription or hemorrhoids for I did have them very uncomfortable for three days, but I am all right again now. But it is a fine thing to have on hand. I feel it is really wonderful."

That is a very common ailment, I would say, a very prosaic ailment for a godly accredited messenger of the ascended masters to have. Also, that doesn't stack up very well with the representations made in "Unveiled Mysteries" which Mrs. Ballard claims to be a true book, true experience, true everything. On page 390, referring to Mr. Ballard, it states:

> "Two days and two nights later, we emerged from the 'eternal flame' wearing our new bodies

of immortal endurance. The inharmony of earth can never register with these permanently. As we came back into the reception hall of the palace . . ." and so on and so forth.

Now, we turn again with respect to this body of immortal endurance to the testimony of Dr. Claude Davidson, the medical [797] doctor who attended Mr. Ballard just prior to his death. He testified that Mr. Ballard was a desparately ill man; that he needed an operation to take fluid from his abdomen which was noticeably distended; that he was suffering from a degenerative heart disease and liver condition that had developed from the heart disease. The doctor stated that this heart condition had probably existed more than five years prior to his death and the liver condition must have existed from three to six months prior to his death.

Pat Crouse testified Mr. Ballard, who was jaundiced and seim-dilirious just immediately prior to his death, had for many months prior to his death been taking a laxative daily. Yet Mr. Ballard said Mr. Ballard, this man with the body of immortal endurance, at the Washington class in October 1939, a month or two prior to his death, called for the Sword of Blue Flame and said, "Oh take me! Oh take me! Ascended Master" or words to that effect. I can't remember the exact words.

As far as the sword of blue flame is concerned, I have no doubt that Mr. Ballard did call for the

sword of blue flame. He frequently did. They are always talking about the sword of blue flame or K-17 or precipitation or ascension or these other subject matters.

Some of the witnesses from Washington rather weakly responded to questions asked by the defense if Mr. Ballard called forth for the sword of blue flame in Washington, but not one of those witnesses, willing as they were to help Mrs. Ballard and Donald Ballard and the other defendants in every possible way, not one of those Washington witnesses testified, as did Mrs. Ballard, that they heard Mr. Ballard call on the ascended masters to take his body away. As far as the sword of blue flame is concerned, it is absolutely meaningless. I read to you Government's Exhibit 190, that is, one of the decrees in that exhibit, decree No. 72. It says:

"Sword of Blue Flame. [798]

"Mighty I Am Presence and Mighty Archangel Michael! Strike your mighty sword of blue flame this instant into every vortex of destructive force, especially in America and throughout the world; and annihilate it from existence forever! Replace it by the eternal action of the unfed flame!"

And not only were these various representations made by the Ballards about curing dismembered limbs, curing the blind, healing the deaf, but they touched such commonplace ailments as mere colds.

Saint Germain at the class conducted by Rogers on January 24, 1937, gave a formula for curing yourself of a cold. You gentlemen might be able to take advantage of this if you believe that it is so.

> "Now I tell you frankly when you feel the slightest touch of cold, rise up and say in the full consciousness of your presence: 'I will not have that, Mighty I Am Presence. Take it out of me—cause and effect! Fill me with your health, strength and energy and stop this nonsense.' Dear hearts, you can dismiss it in just a few minutes. If you do this a few times, you would stop that habit from acting in you, and you would feel your ability to control such conditions completely. You will dismiss it at once and not have to go through several days of such experience."

Despite Saint Germain's formula for curing colds, we find many witnesses who have been up on this witness stand, Pat Crouse, Mrs. Pinkerton, Mrs. La Ferrerra, and others who have testified as to Mrs. Ballard's severe colds and use of medicine. And yet, gentlemen, she gives rise to this formula for curing a cold. I can't say that that formula will or will not cure a cold. It might; I don't know. [799] But I do say, gentlemen, that it is fraud when Mrs. Ballard collects love gifts and sells books on the basis of a formula such as that among other things, and at the same time herself realizes that she, the accredited messenger of the ascended masters, is subject to such a common ailment as colds.

It is interesting to note how the names of the ascended masters arise. We have K-17, and he is very exciting, but with particular reference as to how they get the unusual names of these ascended masters, we have the testimony of Pat Crouse, who testified that a member of the staff showed Mrs. Ballard a flashlight which was called Ray-O-Light, and two days later from the platform Mr. Ballard came out with a discourse from the Ascended Master Ray-O-Light. I think Mrs. Ballard stated to Pat Crouse at the time he showed her this flashlight, "Why, there must be an ascended master by that name." Very convenient!

Pat Crouse also testified that they went to see the Statue of Liberty in New York, the staff did, and a couple of days later there came, for the first time, the discourse from the Ascended Mistress Goddess of Liberty.

Now, the ascension of Mr. Ballard we have touched on, I believe, how it came out so conveniently that he could make his ascension after death. Just about a year prior to his death, we find the announcement in "The Voice" magazine of 1940:

> "Our Precious Beloved Messenger Mr. G. W. Ballard made his Ascension at the Royal Tetons at midnight, December 31, 1939. He was given his Ascension under the New Dispensation. He is now our Beloved Ascended Master of Light."

How did Mrs. Ballard, or whoever it was that supplied that copy for "The Voice" magazine, know that Mr. Ballard was the Beloved Ascended Master

of Light? Was Mrs. Ballard present at his ascension [800] at the Royal Teton Mountains on December 31, 1939?

That is just another example, gentlemen, of the willingness of the Ballards to say absolutely anything that will help bring the people in, the sensational.

It was stated again that in the 1940 magazine, one of them for 1940, it states:

> "Although the Inner Work of Mr. Ballard's Ascension was completed in Honolulu in 1936, his Etheric Body did not withdraw until December 29, 1939."

Well, that is a lot of poppycock and it sounds very interesting. It is the sort of stuff that just flows right along with precipitation, black magicians and the rest.

If the Court please, I am going to a new subject matter. Would you care to have me proceed?

The Court: Yes.

Mr. Lazarus: Now, it is interesting for us to note just how commercially minded these great ascended masters who are busy saving America are. That starts out from the very beginning when Harry Sieber was with the movement. In a letter from Guy W. Ballard to Harry Sieber, dated September 16, 1934, we find Mr. Ballard saying to Mr. Sieber:

> "Your letter so wonderful is at hand and we were on the Ray last night concerning it."

Saint Germain dictated the following, in answer to it:

"'You would always be free to let the individuals know that love gifts could be accepted, but the Messengers themselves may not even suggest it.'"

It is much smoother to have somebody else do your asking for you. [801]

"'Both yourselves and these Good Messengers being entirely unselfish, I am sure you will be able to arrange the financial division entirely satisfactory."

Oh, my, yes!

"'Not yet being a Messenger, as these two are, it is entirely within your own province to offer suggestions which these Messengers may not do. So it seems to me that you could cooperate in a wonderful manner.'"

Again have someone else do your asking for you. And then it was arranged between the Ballards, pursuant to that instruction from Saint Germain, that they could split the love gifts 50-50.

In a letter from Mr. Ballard to the Siebers, Government's Exhibit 70, the next letter in order, also dated in 1934 when this thing was just growing up, just beginning, that is when we can see the true story because that is before the time when it was worth the Ballards' time to be as wary as they have been recently. We find Mr. Ballard saying:

> "His blessedness Saint Germain has left us free to do certain things in regard to the business, but he is head of it as we no longer possess anything so far as our personalities are concerned. We are, however, his acting agents."

No, just a hundred percent of the stock in the Saint Germain Press!

Then again:

> "The Saint Germain Press is not incorporated. We feel your work there should [802] be carried on under the same name as we operate here, and there is to be considerable concerning foreign rights as well."

The Ballards had great foresight at that time and saw the possibility of having this thing spread over to Europe, possibly over to Japan—I hope so—and various other countries, and if it does, they felt that there were quite some possibilities, as far as the foreign rights are concerned, and it should all be kept under the name of the Saint Germain Press, even Harry Sieber's end of it.

Then again:

> "Receipts should be budgeted for both further editions of both books and future publications, as there are many more books which he wishes to put on the market through this activity."

Saint Germain is getting very anxious to put books on the market, using just that expression, through the activity of the Ballards.

And again in this letter from Guy W. Ballard to Harry Sieber, it is stated:

> "In regard to classes, you are right. Expenses should be taken out for all connected and the balance divided 50-50."

Then Mr. Sieber wrote to Mr. Ballard asking for 50 percent commission on the books he sold, and an answer came direct from Mr. Ballard, that answer being, dated December 18, 1934—and this is the most important letter of the lot—Mr. Ballard said:

> "We cannot give anyone 50 percent and have anything left for ourselves and, furthermore, we are not going to do it."

Mr. Ballard liked his pie as well as Mrs. Ballard, and yet it is claimed now that all this money goes into the work for the [803] expansion of the light.

> "Saint Germain said in the beginning that 30 and 33⅓ was the limit to be given anyone.
>
> "Harry, our greatest opportunity for book sales is through the classwork."

They were just beginning to recognize classwork as a means for selling books, but not quite at that point had they realized the rich pickings to be gained from the classes through love gifts.

Then again Mr. Ballard and Mr. Sieber apparently are having a little trouble, arguing about commissions, and one thing and another, and Mr. Ballard says to Mr. Sieber:

"Harry, I am the channel that has made all this possible, and I do not intend to be swallowed up by this terrible commission thing that has always gotten the originator of a thing from which others have received millions."

Mr. Ballard is the originator of the great unchanging law of the ages, the great law of the ascended masters who move about in their realms, and he is worried about losing out on his invention. Other people have made millions from the invention of other inventors, and the poor inventor has gotten nothing. Mr. Ballard was a pretty good business man. He knew that and he didn't want to see that same thing happen in this particular case. "That has always forgotten the originator of a thing from which others have received millions." This great, true law, he was the originator of a thing.

I asked Mrs. Ballard about that on cross examination, you might remember, and for once she was sort of stopped. She hesitated and, although previously had admitted typing that letter, she said, "Well, that is not my signature." However, I think that all of the testimony shows that Mrs. Ballard and Guy W. Ballard were just mixed [804] up hand and fist in this entire matter.

Then again Mr. Ballard said to Harry Sieber:

"Each one of our students will easily sell five more books by mentioning it * * * our dependable opening is through the classwork. The de-

mand for the classwork in Chicago is tremendous and already the students there are teaching classes as full as the accomodations will permit."

Then again:

"Harry, you are not going to be cut out of this as long as you wish to stay in it."

In a letter signed "George, Lotus and Don," to Harry Sieber, Government's Exhibit 74, also in 1934, Mr. Ballard states:

"We do want to get the books out as soon as possible but not at a complete financial sacrifice. Humanity has gone this far and, I doubt not, will stick around a little longer."

And yet Mr. Ballard, who is the man who has gone around saving America by destroying this discarnate entity, he is willing to see humanity stick around a while longer until he can make business arrangements perfectly satisfactory. It shows the utter cynicism of the leaders, of the accredited messengers of the ascended masters, the fakes, the frauds, gentlemen.

Government's Exhibit 83, we find there that Guy W. Ballard is forwarding to his business manager, Harry Sieber, an extract of a letter from Louise Majerus wherein Louise Majerus states that the Sun Publishing Company should only be allowed the 33⅓ percent, like the other dealers, although they had been getting 40 percent up to that time.

[805]

Miss Majerus stated that if they didn't do that, the Sun Publishing Company would take the wholesale book business out of their hands by selling to the retailers themselves and using the 7-2/3 percent override as their profit.

Miss Majerus states specifically:

> "I have seen cases like that in the book business and we should avoid them right from the beginning."

That particular defendant, gentlemen, was in charge of the Saint Germain Press back in Chicago. She kept things running back there. She knew from the very beginning that this was a book business, and that is just exactly the expression that she used in this letter.

We find testimony of Harry Sieber regarding a conversation that he had with Mr. and Mrs. Ballard where they estimated that a million copies of this book would be sold, "Unveiled Mysteries."

We find in a letter, Government's Exhibit 90, Harry Sieber to Guy W. Ballard, it is stated by Harry Sieber in writing to Guy W. Ballard that the wholesalers should receive 50 percent because "it is from such people as these that most of your business will come."

Mr. Sieber and Mr. Ballard themselves recognized this as a book business at that time, as is seen by the correspondence on both parts.

Harry Sieber goes on to say:

> "The important thing is an equitable adjustment between you and me, particularly now that I am going out after the big business of the book trade."

And that was a letter read by Guy W. Ballard.

Now, we have Max Gysi, who is the second man in the Ballards' business scheme, he was present when Mr. and Mrs. Ballard [806] wrote this document out with reference to Mr. Sindelar's picture of Jesus, stating that this picture was exactly as we saw him in the visible, tangible body in the Royal Tetons one year ago last New Year's. It was signed Guy W. Ballard and Edna W. Ballard.

They told Mr. Gysi at that time that they were going to use that handwritten document as a basis for an advertising pamphlet that they were going to give away to help the sales of these pictures which they bought from Mr. Sindelar at a 50 percent discount.

Now, whether Mr. Sindelar had these actual experiences, actually did have this vision of Christ or not, is something that we don't know and don't care to argue in this case. It doesn't have any place in this case. Many times painters who have to conjure up visions of certain landscapes or certain individuals to accomplish their paintings when they have no model before them, can possibly so project their minds that they can conjure up visions, but, at any rate, we don't claim the fraud was in the selling of the picture itself, but we claim that the

fraud, gentlemen, was in the statement that this picture of Jesus was exactly as we saw him in his visible body at the Royal Tetons one year ago last New Year's.

Gentlemen of the jury, Mrs. Ballard took the witness stand. She was up here. She testified to many things. One thing we didn't hear about was the retreat in the Royal Tetons. We didn't hear anything about this New Year's visit that she had with Jesus. That is one of the things that she could have testified about and cleared our minds up on that subject matter.

This particular advertising pamphlet went on to state:

> "The likeness of Jesus which Mr. Sindelar painted is exactly as Jesus looked last New Year's Eve at the Retreat in the Royal Tetons when we saw him in consultation with Saint Germain and the Tall Master from Venus * * *"

[807]

We never did get any description of Saint Germain or the Tall Master from Venus, either from Mr. Ballard, Jr., Donald Ballard, or Mrs. Ballard, the accredited messengers who are having these transcended experiences that, mind you, we all can have if we purchase the books and obey.

Harry Rogers testified that he was with the Ballards in the spring of 1936 when Guy W. Ballard stated that he had just come from a class in Arizona, that Mr. Livingston, who had been giving

the announcements, hadn't succeeded in bringing in much money, and Mr. Ballard then asked Harry Rogers, "Won't you go out and see what you can do?"

Thereupon Harry Rogers continued until July of 1939, stating at every meeting, making statements with reference to the books to be sold and making an appeal for funds. He stated that he was told by Mr. Ballard to speak strongly of a certain book and try and sell that book when there was an oversupply of it.

The group leader letters, you will remember, were all written by Harry Rogers and corrected and passed upon by Mrs. Ballard before going out. That is the undenied testimony of Harry Rogers.

In a letter to Virginia Meyer, Betty Mundy, one of the defendants here, wrote as follows:

> "You may or may not know the class is scheduled for February 4-13 inclusive, and it will be just like the others so far as workers are concerned. I will need six cashiers and about two workers for each cashier besides. Then you know about the cashiers and those handling song books, etc. The main thing are the cashiers, and if they are experienced it makes the work so much easier for all * * *
>
> "I have ordered from Chicago 6,000 [808] folders to be shipped you direct."

And Virginia Meyer testified that she got students to volunteer their services as cashiers and

cashier's helpers in this particular class conducted by the Ballards in San Francisco pursuant to the request of Betty Mundy, who is working hand in hand with Mrs. Ballard.

It is interesting there to note, too, the undenied testimony of Virginia Meyer with reference to a Mrs. Rudicell, who had claimed to be seeing the ascended masters herself.

Mr. Lazarus: Gentlemen, we were on the subject matter of representations and statements made by the Ballards showing their deceit in this entire movement. We have gotten down to statements made by either the Ballards or Betty Mundy in one letter to Virginia Meyer, our witness from San Francisco. I am about to go into the subject of the Rudicell incident.

Mrs. Virginia Meyer testified that she spoke to Mrs. Ballard about a Mrs. Anna Rudicell who Mrs. Ballard had told her to keep the students away from because Mrs. Rudicell had been stating that she was receiving messages from the ascended masters. Apparently Mrs. Ballard felt that Mrs. Rudicell was infringing, was working her way into Mrs. Ballard's territory, being something that Mrs. Ballard and Donald, as the only accredited messengers, had the entire western rights on, as you gentlemen will remember.

Now, Virginia Meyer said that she went up to Mrs. Ballard and she said, "I want you to give Mrs. Rudicell a few minutes of your time."

Mrs. Ballard became very angry and said she wouldn't do it.

Daddy Ballard was present at the time, and Mrs. Ballard turned to Daddy Ballard and said, "Daddy, you know what to say tomorrow about Mrs. Rudicell from the stand."

The next day Mrs. Meyer said she went to the class and she heard a discourse from one of the ascended masters, and in that [809] discourse a reference was made to this Mrs. Rudicell and the students were warned that she was worse than any kind of a snake and that they should stay away from her.

So there you find the invention of this entire matter. You will find how Mrs. Ballard was the one who stated what should be said by the ascended masters in this discourse. Of course, no doubt Mr. Ballard has said things from time to time, and Donald Ballard every once in a while probably put in one of his scientific explanations of how the universe exists and how the ascended masters can go through space, but there we find a very fine example of the source from which these ascended master discourses come.

The testimony of Pat Crouse related to these form paragraphs that he used in answering letters. Sometimes anywhere from 400 to 500 letters were answered at a time. As the letters came in Pat Crouse testified he put the word "Love" on them if money was included, and thus thanked them for the offer of love which the students sent in their letters; and

we find that this is operated as a big business. There were form letters for everything.

In Philadelphia in 1939, during a staff meeting, according to Mr. Pat Crouse, Guy W. Ballard gave a discourse from Saint Germain where the messengers were told that the students should not be allowed to urge them to go places where they can't make expenses. This light, this great light, which the Ballards were trying so hard to expand, was only for wealthy communities. It wasn't worth the Ballards' while to appear in small communities where they wouldn't make their expenses, plus.

Then you will recall that Pat Crouse testified that, as Mr. Ballard's secretary, he would frequently receive letters from the defendant Cassiere and the defendant Stickell. He remembered that in one of those letters Mr. Cassiere made a statement to the effect that "Cleveland is good pay," and in another that "The people of Detroit certainly know how to treat the love gift box," and still [810] in another letter he referred to a town where he said "the collections were very poor."

That gives you gentlemen an indication of the sincerity, the great social significance, of this ascended master teaching, as far as the territorial representative Cassiere is concerned.

Now, Mr. Crouse further testified that letters of that same nature were received from time to time from Paul Stickell.

He testified that both Stickell and Cassiere were told by Mr. Ballard what towns they should go to

and what they were to talk about and what they were to stay away from.

On some occasions Pat Crouse, Mr. Ballard's secretary, conveyed these instructions from Mr. Ballard to the territorial representatives, Stickell and Cassiere.

When Mr. Ballard died in 1939, almost immediately his photograph was offered for sale. The first issue of "The Voice" magazine that carried this offer of sale for $25, incidentally, the photographs ran up that high, of the great Ascended Master God of Light, or whatever Mr. Ballard called himself after his death, and it was stated in that "Voice" magazine of March 1940:

> "The photographs of our beloved Messenger have been Divinely bound, prepared and charged by Him and Us to render tremendous service to all who use them for contemplation; but that is quite a different thing from individuals who have just ascended and who have not that momentum of Light already drawn forth."

Also it is stated:

> "Therefore we ask the students not to pass pictures of such individuals around among the student body for contemplation." [811]

This refers to pictures of other students who had died and of whose ascension Saint Germain had not yet spoken.

Of course, if pictures started to get passing among the students, every one that relatives claimed possibly had ascended, then the sale of the pictures of Mr. Ballard would not be quite as good.

We find the testimony of Madge King, the woman from the Better Business Bureau in San Francisco, to the effect that at the lecture that she attended in San Francisco, the only one she ever went to—she was entirely an impartial witness—the entire build-up during the entire class was for a discourse that was coming from the Great Tenor who had a message of great importance to the students, and then after that discourse, when the Great Tenor did come forth, his message of great importance was that the new song book was just out and that this song book had his likeness on the cover and that the students should look on it every night before retiring.

According to Miss King, it was stated at that meeting that by looking at that picture of the Great Tenor you would have benefits of which you will never know.

That is the one statement that I think was true in the entire statements made from the platform by the Ballards. I am sure the students would never know of the great benefits they would obtain by looking on the picture, but perhaps they didn't understand it that way.

At that same meeting Mrs. Ballard stated that they could ascend and have their freedom at any time, or have a good living from their printing

press, but rather than that they were going to stay around and protect America.

God help us from more protection of the type given by the accredited messengers of the ascended masters, Edna W. Ballard and her son Donald!

[812]

Gladys Kemp testified that she sent a letter to Mrs. Ballard asking for some help and received a reply, Government's Exhibit 149, which stated:

> "I have stated many times that all money coming in belongs to Saint Germain and would be used for the expansion of the Light, but there has never been any provision made by Him that this money could be used for an individual's personal use."

That was signed "Mrs. G. W. Ballard," and in it came a special notice announcing the blue records, so they softened the blow. Mrs. Ballard not only refused this help, which Mrs. Kemp asked for, as Mrs. Ballard, of course, had a perfect right to do, but she took advantage of that same 2-cent stamp to enclose an advertisement for a blue record, and no doubt the advertisement—you gentlemen have read it yourselves, or you heard it read—would allow Mrs. Kempt and the other students to believe that they could have all of these transcended blessings themselves, and they would not need any help from any earthly sources if they bought that blue record with its wonderful healing power.

Ted Dahl testified that he was in charge of the radio broadcasts. In a group leader letter dated June 24, 1938, it sets forth:

> "Saint Germain says as a result of direct broadcast in New York thousands of new people have accepted the message and are securing the books."

Now, if that is true, it just tends to point out again the particular angle of the radio hookup.

It is also stated in one of Mrs. Ballard's letters to one of the I Am students, where she told the I Am student that all radio arrangements must come through Mr. Dahl—of course, she wanted to [813] keep her finger on everything and see that things were working out in this divine ascended master manner—that Mr. Dahl is a good I Am student, consequently all of the arrangements must come through him.

Ted Dahl himself got on the witness stand. He acted for Mrs. Ballard right up to very, very recently. He would have no reason for testifying to the contrary. He got on the stand and said that he was an advertising man and that he was not an I Am student.

That is just another example of the perjury, the prevarication, resorted to throughout by Edna W. Ballard as a means of getting the students to believe that this is truly a divine ascended master work, and that everybody is connected with it. He was not interested in the money that they might

make out of it, but his only interest was in spreading the light! Ted Dahl certainly wasn't interested in that.

In a letter written by Betty O. Mundy—I don't have the exhibit number here; you will recall the letter—dated June 3, 1939, it referred to a Mrs. Wahl of Miami, stating:

> "She is a woman of means and, I think, has handled practically all the radio work down there so far, so she will see to it that it is taken care of. I suggest if she starts writing to you that you use your own judgment about answering the letters for she writes about every other day * * * she is a very lovely soul, but very eratic."

That is the type of a person from whom the Ballards in many instances took this money, had these radio programs put on, sold books to and collected love gifts from.

True, there are many other people who are very fine, logical-minded people, that have been misled by this activity. They weren't all apparently of the same nature of Mrs. Wahl. Some of the [814] Government witnesses, and no doubt many of the witnesses of the defense, have been misled just as much as the Government's witnesses, and are as nice as any people you could possibly ever hope to meet.

In a letter to Ted Dahl, written by Mrs. Ballard on November 6, 1939, Ted Dahl was instructed to

inform the radio stations to withdraw references as to where students can contact the work from that time henceforth. This is where Saint Germain, that great godly figure, who was over and above or at least one with the Goddess of Justice—I think the Goddess of Justice was his feminine counterpart—this was where Saint Germain drew the color line. It is a rather pathetic thing, in a way humorously pathetic. Mrs. Ballard, in this letter signed by herself, says:

> "Saint Germain says that for some reasons the transcriptions are attracting the wrong class of people, and here in the east the colored people are rushing in while those who should be attracted do not come."

A great, godly activity, gentlemen!

Richard Bronwell, also in the commercial end of this activity, testified that he worked with Louise Majerus back at the Saint Germain Press packing books and one thing and another. He acted as a shipping clerk. He testified that Miss Majerus made the bank deposits, opened the mail as it came in, and apparently was in charge of all the work there of the Saint Germain Press, to the best of his observation.

He testified to hearing of a conversation between Louise Majerus and her immediate boss, Edna W. Ballard, wherein Mrs. Ballard told Louise Majerus to prepare for a rush on the old decree books because, since the new ones were coming out very

shortly, they were going to push the old ones in the classes. And I believe the testimony was that there was very shortly thereafter a rush in the sales of the old decree books. [815]

The testimony of Murray Stover, a mild-mannered man, who was here in court on the witness stand, was quite convincing. It was one of the few occasions in which Mrs. Ballard had let her hair down. Apparently she was speaking to some one of her confidents in back of the stage at the Shrine Auditorium, and Mr. Stover was in the music room. He was the man, I believe, who played the bass violin in the I Am orchestra and was a profound and true student until the time he heard this conversation, when he immediately shortly thereafter left the movement.

He heard Mrs. Ballard talk with some person in the Shrine Auditorium and she stated—this person stated to Mrs. Ballard that she was afraid to stress the spectacular because the crowds would not believe it. Mrs. Ballard said that it was the spectacular that drew the crowds, and crowds drew the income, and that the students would believe anything she told them, even to the point where they would come to her on their hands and knees if she told them to.

I believe that the testimony of the defendants' witnesses here and the testimony of one of the Government's witnesses, as to their previous reaction, shows the truth of Mrs. Ballard's belief that the students would so come to them on their hands

and knees. Certainly Mrs. Ballard was quite as interested in the commercial aspect of the work, the income coming from the crowds, as it would appear from that conversation.

Mrs. Fowler testified that she had a conversation with Betty Mundy in Los Angeles in 1938 where Betty Mundy asked her to assume the financial responsibility for putting on seven broadcasts for Edna W. Ballard immediately prior to the Seattle summer class of 1938. That was the plug to get the students there so that they could hear the spectacular and all about saving America and give the money.

Mrs. Fowler testified that she asked Betty Mundy the cost, and she was berated by Betty Mundy for not spending enough money, and her attention was called to the fact that thousands of dollars were [816] spent by I Am students in other places. Thereafter Mrs. Fowler testified that she did, after being berated in this manner, arrange for broadcasts as requested.

Now, my last division of this attempted summary is to go over each defendant, with the exception of Mrs. Edna W. Ballard, who is the entire case herself—she had her finger in every bit of the pie that came along, and there is just absolutely no sense in trying to sum up how she was mixed up in this flim-flam fraud because she was mixed up in it from the beginning to the end.

But we might draw a mental picture of just how this business organization worked. I think it is a

true tribute to the organizing genuis of Mrs. Ballard that the organization was so closely knit and as effective as it was. Such talents put to work upon beneficial lines would be of untold benefit, but used in this manner, they have done certainly, as you have seen from the witness stand, a great deal of harm financially and spiritually to many people.

Edna W. Ballard is the head of the Saint Germain Press and the head of the Saint Germain Foundation, and the treasurer of both organizations. She was the queen bee of this entire fraudulent racket. She wrote the script and pulled the wires.

Betty Mundy was chief assistant chancellor of the exchecquer. She kept her fingers on the money bags. She was, along with Mrs. Ballard and party to with Mrs. Ballard in everything that took place. The two of them were just like a couple of bees, very close together.

Louise Majerus could be characterized as the chief production manager. She kept things moving back in the home office in Chicago, keeping her finances and in seeing that the books went out on time. And, of course, in view of the fact that she had a wide selling experience prior to her going into this organization, she was a very valuable asset from that point of view.

Donald Ballard can only be characterized as the unfortunate [817] lad, the heir apparent to this business. He was the crown prince of the Ballard business.

Paul Stickell and William Cassiere have been

previously characterized and can be now as the territorial representatives. They were the advance salesmen of the Ballards, planting seeds and picking bones and taking the nibbles that came along. (Laughter)

Now, referring first, gentlemen, to the salesmen, let's take Paul Stickell and let's see what he did, what he was and what he ended up being and what he is now.

Paul Stickell was a man of experience prior to the time he ever got in this organization. He was a lawyer-lecturer. He so characterized himself.

He told Maude Hill, and she related that in court here, and also told the jury, that he gave up a good law practice to follow this light, and that he would be doing much better practicing law than he would be spreading the light in the manner that he is now.

However, we find that his income apparently was unknown to himself in his practice of law, the year before he went into the I Am activity. He couldn't give us any idea of how successful he was. Of course, that is only interesting insofar as it lays a motive for Paul Stickell to go into this work.

He admitted, however, that while he was practicing law, this great practice of his in Chicago, that he was also working for the Ballards, not out of his love for them, but as a stock boy at $25 a week. That was in 1935, when Betty Mundy's reports kept coming from the West Coast showing

$11,000 worth of books were sold in a period of approximately five months, as I have gone into in the past.

Consequently, Paul Stickell, this man of experience, obviously thought it was to his benefit and advantage to go out on the road and sell this stuff himself, which he did. [818]

Paul Stickell's entire attitude, his entire lack of sincerity, his lack of veracity, could be best exemplified by pointing out to you gentlemen that when a lawyer here as a defendant testifying for himself said he put his soldier's bonus into the movement, and on cross examination I asked him what he meant, and it seems that he bought himself a new car with his soldier's bonus money. Well, that is fine charity.

Paul Stickell conducted classes all over the country. At first he sold books and then he obtained love gifts. He sent out advance announcements to the group leaders and those group leaders, as they have testified, promulgated and sent out these announcements to the members and various other interested people, and then after they were all sent out Paul Stickell would come around and conduct his classes.

He got his copy from Guy W. Ballard and Edna W. Ballard and he discussed his itinerary with them. He explained the charts, these charts purchased for $50 and $200, and undoubtedly in some of the smaller groups, where they didn't have those charts, the lesser price charts, to the groups.

On cross examination Paul Stickell admitted that these scriptural references used in attempting to sell the chart to you gentlemen here in the jury box were not contained in any of the books of the Ballard organization. They were the ones, however, that he did use in court.

Pat Crouse testified about conveying instructions from Mr. Ballard to Paul Stickell.

The first year Paul Stickell went on the road, exclusive of his sale of books, he collected over $7500 in love gifts along. And how did he do that? By telling the students throughout the country that precipitation, ascension, black magicians—these various other subject matters taught by the Ballards, were actually so. He taught the same things that the Ballards did and he did it for [819] that which best suited his pocketbook.

One of the interesting things about Paul Stickell's lack of sincerity was this letter from Saint Germain. On cross examination he said he had a letter from Saint Germain, and when I asked him where it was, first he stumbled and said he didn't know where it was; then later when I pressed him on the point he said, "Well, it was in one of his briefcases at the hotel. Paul Stickell lives at the hotel with the Ballards, or is probably in close contact with them at all times. I have no doubt, seeing the source of these letters from Saint Germain which have been produced here in court, that Paul Stickell could produce 50 letters from Saint Germain ap-

pointing him or anybody else desired as an appointed messenger at a moment's notice if he so desired. All that is required would be for Mrs. Ballard or one of her stooges to go to a typewriter and write a letter from Saint Germain.

Paul Stickell, this man with a letter of appointment from Saint Germain, this divinity who is a very great person according to Paul Stickell, did not know where this letter was kept and that, to me, means a great deal.

Now, there have been various witnesses who have testified that Paul Stickell made the same representations that the Ballards did regarding precipitation, cataclysm, healing, ascensions, and so on, except that he made them as an appointed rather than as an accredited messenger. He himself had not been able to precipitate, apparently because he was not sufficiently pure. That same dog chasing that same tail. And yet Paul Stickell was sufficiently pure to be appointed a messenger by Saint Germain.

Paul Stickell testified, and the testimony of witnesses bore out the fact, that he autographed these books. They had his own radiation as an appointed messenger, according to Mrs. Fowler and I believe, of course, that that is the only reason why any student would want an autographed book from Paul Stickell, and it is [820] very logical that even though he denied this, that he did make the statement that these books had his own radiation as an

appointed messenger as was testified to by Mrs. Fowler.

Paul Stickell saw the ascended masters Jesus and Saint Germain. However, it is interesting to note that this was the only witness that got on the witness stand and testified he saw these ascended masters in conjunction with this movement. Paul Stickell, this man that made his living from this movement, was the only other one so privileged. According to Maude Hill, that mild woman from Chicago, who gave every impression of telling the truth throughout her entire testimony, Paul Stickell told her that he could understand how Guy W. Ballard read these letters of living light that flashed in front of his eyes coming from the ascended masters similar to ticker tape because he himself was able to read such letters of living light before his eyes from the ascended masters in that same transcendent manner. Paul Stickell did not deny having made that representation to Mrs. Hill, gentlemen.

Now, Paul Stickell, apparently, because of the fact he was an appointed messenger of the ascended masters, had inner sight. He saw invisible poison germs resembling little black flies on his food, and so told Mrs. Fowler. His sole purpose in making that statement was to lend that same aura of dignity and divinity that the Ballards lent to themselves. He was infringing a little bit in Ballard territory, but maybe as an appointed messenger he was privileged so to do. He told Mrs. Fowler that

Saint Germain would prevent war in Europe. Now, Saint German has failed noticeably there, and Paul Stickell was put on guard by that failure, and yet he continues now as he has in the past to make his living solely from this activity. He told Virginia La Ferrera, a friendly member of the staff, that San Francisco would no longer see him because he only received $175. in love gifts for seven or eight days and thought that part of them had been withheld from him. He stated from the [821] witness stand that Mrs. Fowler prevaricated when she said he had received $350 for a ten-day class in Seattle, and rather than $350, when he opened the envelope —first Mr. Stickell, that great appointed messenger of the ascended masters, said he only—then he scratched out the word "only."—then he said he saw $300 in bills for the ten-day class in Seattle. I submit, gentlemen, that anybody who obtains money in any degree whatsoever, whether it be $3.00 or $300, on the strength of representations passed on by these defendants, and this particular defendant, is helping to perpetrate a fraud on the American people and those who would listen to them and have given to them. Paul Stickell was certainly as guilty as anyone in perpetrating that fraud, gentlemen.

William J. Cassiere was a printer who, after 1933 when he went into the business of the Saint Germain Press—a related business, it might be pointed out, to printing—he received his entire income from books and love gifts. He made the same

representations as the Ballards also. He was told by Guy W. Ballard where to go and what to say. He advertised and announced his classes over the Ballard radio transcriptions. He autographed books and it was alleged by some of the Government witnesses that William Cassiere stated that his radiations were valueable because he lived at the house of the messengers and was close to Saint Germain.

After giving an explanation of the chart here in court not found in any of the books or magazines, William Cassiere made a big fuss when the Government attempted to look at the book out of which he was giving this explanation which had various notations written on the side. He said something about radiations, about losing its radiation, and yet later on in cross examination William Cassiere admitted that these notations were made in the magazine during the trial, which obviously was for trial use. It shows his sincerity!

Pat Crouse testified he saw correspondence from William [822] Cassiere to Guy W. Ballard stating that "Cleveland is a nest-egg" and "The people of Detroit know how to treat the love gift box."

Merton Casterline, the Bible student who was on the witness stand, testified that he attended Cassiere's classes in Ohio and heard Cassiere state that he came to Ohio to save Cleveland from a flood: that there was to be an earthquake under Lake Erie and the city would slide into the lake unless the students, aided by Cassiere, the territorial representative, would build a wall of light.

Later, while talking privately to Mr. Casterline, this cynical messenger, Mr. Cassiere, told Merton Casterline that he came back to Cleveland to fill his pockets.

There was a woman announcer of Cassiere's at these classes who urged the students to give and give liberally. That is the manner in which Mr. Cassiere made his living, gentlemen.

Mrs. Fowler testified that she received a letter from Edna W. Ballard, the same one which told her to give the decrees in unison now that new decree books were out. The letter stated:

> "Our beloved Bill is coming up your way, as you doubtless know. I am glad he is going to give you a 10-day class and this should help to stabilize the student body and bring peace and harmony."

Thus showing again how they all worked together.

Referring to Exhibit 189, the same letter where Mrs. Ballard refers to the decree books and Mrs. Fowler testified that she too spoke to William Cassiere about this, and he said:

"Well, you know why they want them to read the decrees don't you? So everybody will buy a decree book."

Obviously the plan was successful. Every witness that was asked the questions here on the witness stand—and most of them were by us, not by the defense—testified that he had that decree book and he had each of those decrees in it, and he purchased

them [823] for two cents each; later a cent and a half.

Mr. Cassiere told Mrs. Fowler that he refused to be dismissed by Edna W. Ballard after a quarrel with her because Mrs. Edna W. Ballard had just previously told him that Saint Germain had been in Europe for the last three months, and he came back at Mrs. Ballard and said, "If he is in Europe, how could he be around here to dismiss me?"

Now, Mrs. Fowler, gentlemen, is not the type of woman who would get on the witness stand and knowingly prevaricate, and I believe that her testimony is strong along that line. It shows that William Cassiere knew about this fraud, that he felt he had enough on Mrs. Ballard, he knew enough about the inside of this, so that he needn't take orders from anybody as far as getting in and getting out is concerned. William Cassiere sold books at first and obtained love gifts throughout the entire association with this movement. He had a good job and he didn't want to be fired.

Referring to Defendants' Exhibit GG, a letter introduced by the defense from Mrs. Fowler to Mrs. Ballard—the letter was written December 11, 1940, while Mrs. Fowler was still in the movement, while she still believed in the Ballards—she wrote with reference to William Cassiere shortly after a class which he had there, she reported to Mrs. Ballard what Mr. Cassiere said. He stated: "I have seen Jesus, Saint Germain, and my Presence."

However, he told us nothing about that up here.

He did not explain the circumstances or the situation wherein he was privileged to have the transcendent experiences that he was selling the students throughout the entire country.

He also stated, according to Mrs. Fowler in this letter to Mrs. Ballard, "There are spies in the audience that I have said will be in Washington and from there will be sent to Berlin, Rome, and Moscow within five hours."

Again building up Mr. Cassiere, making him have this inner [824] sight that enabled him to see, along with Paul Stickell, just what was going on in the audience, to read into the minds and hearts and the souls of the students that were before him just what was going on. It gave him that aura of divinity and that dignity which was necessary in order to obtain more love gifts.

Louise Majerus was in charge of the book selling business at Chicago. She had a book selling background as she testified here in court. She was with the Ballards from the beginning and recognized the Saint Germain Press as a business.

In a letter from Mr. Ballard from Harry Sieber in 1934 it was stated:

> "Send money orders made out to you, the Saint Germain Press of activities to Louise Majerus in Chicago."

In a letter to Harry Sieber from Guy W. Ballard it was stated:

> "This is an extract from Miss Majerus' letter which I think you should see."

And that extract dealt with Miss Majerus' advice on how to run "the book business." So that the Sun Publishing Company would not receive 40 per cent discount and take an overrride on the books that she sold to retail dealers. She went on in that letter to say:

> "For the larger concerns it would be more profitable to do business with the Sun Publishing Company than to do it directly with us. I have seen cases like that in the book business and we should avoid them right from the beginning."

Now that, gentlemen, will give you some indication of Miss Majerus' information as to just what was going on here. [825]

The testimony shows that Betty Mundy and Miss Majerus, together with Donald Ballard and Mrs. Ballard, were able to write checks on the Saint Germain Foundation and the Saint Germain Press as they willed.

Muriel Bliss testified with reference to Louis Majerus that at the beginning she was told by Louis Majerus that despite the fact that she, Muriel Bliss, was an appointed messenger, "My position"—Louis Majerus speaking of herself—" with Saint Germain is higher than yours is; my position is above that of the appointed messengers."

Gentlemen, I have no doubt that Miss Majerus' position is, in fact, above that of the appointed messengers, because after all she is dealing with the all

important commercial end of the activity, keeping the book business running back in Chicago.

Mrs. Helen Pinkerton on the witness stand testified that Louise Majerus showed Mrs. Pinkerton the house in Chicago where the Saint Germain Press was located, and took her around to the various rooms and told her, "This is the room where the discourses were given." Miss Majerus explained to Mrs. Pinkerton with a great show of authority that "This is where Mr. Ballard would sit," pointing to the table, and "This is where Donald Ballard would sit and this is where Mrs. Ballard would sit." And she explained how the light came in through the window and just exactly what angle it hit the table.

She further explained how Mrs. Ballard would take down the dictation as a stenographer does. More of the hocus-pocus built up of the fraud, gentlemen, and done by the chief Chicago agent, Louise Majerus.

Richard Bronwell testified he received all instructions from Louis Majerus and that he overheard a conversation between Louise Majerus and Edna W. Ballard relative to getting ready for a rush on the decree books as they had 10,000 of them on hand and Mrs. [826] Ballard said they would mention them from the platform in order to push the sale of them. She stated that she wished to get rid of the old stock so they could bring out a new decree book. Subsequently the sales increased, so they apparently were and obviously must have been plugged in the class.

Betty Mundy was in charge of the sales in classes. We first find Betty Mundy coming into the picture in relation to her assistance to Mrs. Ballard in Government's Exhibit 99 which showed the sales from April 4, 1935, to September 1, 1935, amounting to over $11,000. This was placed in evidence by Max Gysi.

We also find Exhibit 142 showing thousands of dollars taken in at the various classes; showing $27,000 coming in in the Los Angeles class, and thousands and thousands of dollars coming in from other classes throughout the country. You gentlemen will remember some of the testimony here from the witness stand was that the Ballards conducted 14 classes varying in length and usually lasting from 10 to 17 days throughout the country every year. So you can see, with that as some indication of what the take at these classes was, how profitable this was for all concerned.

The letter of Betty Mundy to Virginia Meyer directing six cashiers and two helpers for each cashier for sales at the San Francisco class and the advertising folders again show just exactly how she was involved in this fraud.

Betty Mundy told Virginia Meyer that when the car broke down when they were returning from Lake Arrowhead, they wrote the discourses for the next two issues of "The Voice" magazine. Mrs. Ballard and Betty Mundy both denied having written any discourses for "The Voice" magazine, but that statement to Virginia Meyer by Betty Mundy is

corroborated by Government's Exhibit 134 which was a letter from Betty Mundy, signed "Betty," identified as being from Betty Mundy to Maude Hill. The letter was dated July 23, 1936:

> "My dear Maude Hill:
>
> Am I [827] dreaming or did I see you in Los Angeles recently? The time passes so rapidly, so swiftly, that I hardly know whether it is real or not, and just to think I did not get to see you again before you left for Chicago. I presume it was because Mrs. B. and I had gone up in the mountains to work on manuscript for the magazine. We were up there five days and it surely was marvelous to be where it was quite, no telephone, no interruptions, no nothing but just stick to work and we did acomplish getting manuscript ready for two months of The Voice, and they will be hot ones, August and September."

Again showing how Betty Mundy was mixed up in this entire matter.

Pat Crouse testified that he overheard a conversation between Betty Mundy and Mrs. Ballard where Betty Mundy said the discourses had been taken down by herself exactly as Mr. Ballard dictated them, and she couldn't understand why they had to be changed with sentences rearranged and grammatical errors corrected when they came out in the magazine. Now that, if nothing else, the fact that Betty Mundy continued in the organization, con-

tinued as Mrs. Ballard's assistant, after having seen that discrepancy, if nothing else, shows that she was aware of the fact that this was a fraud being perpetrated upon the students throughout the country.

The Ted Dahl letters from Edna W. Ballard and Betty Mundy shows Betty Mundy's interest and authority in the business; one of them particularly where Betty Mundy referred to ordering phonograph records in lots of 500 hereafter. It was a group leader letter dated June 24, 1938, where it was stated—and this went out all over the country, to group leaders all over the country— [828] "Nine black magicians and 56 of their emissaries were seized as the result of a decree originating with Betty Mundy."

Betty Mundy didn't tell us about those black magicians. Betty Mundy didn't tell us about those emissaries, nor did she tell us about that decree.

Gentlemen, Betty Mundy was in there with Mrs. Ballard and the rest.

Mrs. Fowler testified that she was requested by Betty Mundy to put on seven broadcasts advertising the Seattle class and was berated when she asked about the cost.

Catherine Rogers testified that she overheard a conversation where Guy W. Ballard stated—she was present at a conversation where Guy W. Ballard stated to Harry Rogers and Catherine Rogers that he wished Mrs. Mundy and Mrs. Ballard would not insist on publishing the next book "Ascended Mas-

ter Light" as the students had so many books already, and it was his wish that this book should not be published. Guy W. Ballard knew when the students had enough, but apparently Mrs. Mundy and Mrs. Ballard did not. The pie was rich enough at that time, but still they continued.

Catherine Rogers further testified to an argument between Edna W. Ballard and Guy W. Ballard wherein Edna W. Ballard stated to her husband, "You are sending out letters to the students without my knowledge and without Mrs. Mundy's knowledge and this cannot go on." Thus implying, of course, that that particular phase of the activity was under the control of Mrs. Ballard and her assistant Betty Mundy.

Donald Ballard, as an accredited messenger of the ascended masters, received his entire income from the Ballard activities. In his deposition in the case of Ballard v. Ballard he testified that he participated in the I Am activities since December 22, 1936; also that during '37, '38 and '39, he received all his income from the movement and had no other occupation. [829]

You will remember his talk where he spoke of the presidential election, particularly where he spoke about the ascended masters passing through space and substance. The evidence shows that Donald Ballard was mixed up even earlier than that. The parents were building up a good business and they wanted son Donald to be right there with them. You can't blame the boy for going with them at first.

The only thing you can blame him for is continuing with them after he had reached manhood. Surely he must have realized this was fraud and flim flam.

There was a letter written by Donald Ballard to Harry Sieber dated November 21, 1934. Donald is shown to have known even at the age of 16 that this was a business. In that letter he said:

> "In your recent letter to Mr. Erickson you requested the immediate shipment of a quantity of books. As you know, I am handling much of the business for mother and dad and will be doing so during the time they are away. Therefore, your request was turned over to me. I have received instructions to retain all remaining copies of the first edition for filling the orders for the Chicago area, as we have less than 50 books left. However, the second edition is due off the press shortly. I hope to have a quantity on hand within three weeks at the latest. This may seem a long time to wait, but under the Code regulations of the N. R. A. the printers can only work so fast. Besides this, I shall also communicate immediately with mother and dad to see if there is any way in which I can rush the requested order for a part of it for you." [830]

The letter was signed "Donald Ballard."

Now, Donald Ballard allowed himself to continue in the movement from the start and worked with it despite his knowledge of the false representations made.

You will recall that Donald Ballard was supposed to have taken part in the experiences set forth in "Unveiled Mysteries." You will recall that various adventures of Donald Ballard were set forth in discourses, but Donald Ballard told us of none of those adventures. In "The Voice" magazine of September 1936, a discourse of Saint Germain given in 1932, it was referred to, and I am quoting:

> "Saint Germain spoke to Donald direct and said: 'Your love is like a mantle of fragrance to me and each one of you have a different odor. The embracing presence of that is very wonderful.'"

Donald Ballard, if he didn't realize the odor then, should have realized the odor later, gentlemen.

Now referring to Radio Broadcasts in "The Voice" magazine of September 1937, it states:

> "Mr. Ballard, our son, and I, have stood in the visible, tangible presence of our blessed ascended master, Saint Germain, many, many times, and in that of many of the other ascended masters. Often when our classes have been in session, Saint Germain has come to us in his visible, tangible body, and given us further instructions for the carrying on of this work, which is wholly under his direction."

Saint Germain in San Francisco said on August 1, 1937:

> "Today, it is my great joy to inform you of an activity which has been [831] released at

> the call my little pal made this morning. You may not know it, but during the dictation of the 'I Am Discourses,' I gave him that name and I think I shall continue it, no matter how large he gets. Donald is my pal! And I shall always call him so."

And again in a radio broadcast, as set forth in the September 1937 issue of "The Voice":

> "Mrs. Ballard and Donald and I have stood in the visible, tangible, presence of our blessed ascended master Saint Germain many, many times."

Now, did Donald Ballard have these experiences or didn't he? One of the reasons we know he didn't have these experiences was that he wasn't the practiced and experienced actor that Mrs. Edna W. Ballard was. He wasn't the glib prevaricator, not having had the same experience that the defendant Edna W. Ballard had. So he couldn't get on the witness stand and tell us of these many experiences that he had with the ascended masters such as his mother Edna W. Ballard did.

Donald Ballard in the divorce deposition, or in the deposition in the case of Ballard v. Ballard—strike the word "divorce"——

Mr. Cannon: At this time I would like to assign that last statement with respect to the limited testimony of Mr. Ballard as error and ask the Court to instruct the jury at this time to disregard it.

No. 10059

United States

Circuit Court of Appeals

For the Ninth Circuit.

EDNA W. BALLARD and DONALD BALLARD,
Appellants,

vs.

UNITED STATES OF AMERICA,
Appellee.

Transcript of Record

In Four Volumes

VOLUME IV

Pages 1319 to 1623

Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

PARKER PRINTING COMPANY, 543 SANSOME STREET, SAN FRANCISCO

Mr. Lazarus: If the Court please, in view of the instruction and authority handed to the Court this morning by Government counsel, I feel that it could not posibly be deemed error as long as the witness took the stand and testified to something regard [832] ing it.

Mr. Cannon: I don't intend to argue it. I just want to assign it.

Mr. Lazarus: If the Court holds it is error, I wish to withdraw the statement and request that the jury be instructed to disregard it. However, I still stand on the statement made.

The Court: Have the defense any other authorities except Caminetti against the United States found in 242 U. S. 470?

Mr. Cannon: Not at this moment. I don't care to argue the matter, anyhow.

The Court: I was just wondering if there was any other authority that you had at this time.

Mr. Cannon: No.

The Court: For the present I will have to let it stand. The Government counsel have submitted Caminetti v. United States found at 242 U. S. 470, but if counsel have some authority that may be a modification of this opinion, then I will so instruct the jury.

Mr. Cannon: I will ask to have an exception to your Honor's ruling.

The Court: Yes.

Proceed.

Mr. Lazarus: Now, in this deposition that Donald

gave in the case of Ballard v. Ballard—it was read in the record here—he was asked this question (and incidentally this was in April or May of 1940):

"Have you, yourself, had any experiences with the ascended master Saint Germain?"

He answered: "No, I have not."

Now, that doesn't have anything to do with a fraud case of this sort. There was no reason for Donald Ballard to try to protect anybody, including himself, at that time; consequently we must assume, gentlemen, that that statement made by him at that [833] time was the truth then and that he could not so testify in court here without incriminating himself, and thus did not care to testify on that subject matter of his association with the ascended masters.

As far as Donald Ballard is concerned, he lived luxuriously from this movement. Exhibit 151 showed that Donald Ballard had $11,000 in five months, and yet we find Mrs. Ballard berated Donald severely in that letter for using all of that money. He should have been berated. He was a spoiled child to require that much money and at his youthful age, or even at any age as far as that is concerned, coming from sources such as this. But we find in "The Voice" of September 1937 on page 8 the statement from an ascended master: "Our beloved Donald has but to open his mouth and whatever is required floods forth. Many of you are coming to the same point."

Obviously they must have been referring to precipitation then. Yet Donald Ballard was berated for taking $11,000 from his parents when he, as far back as 1937, had but to open his mouth and whatever is required floods forth. Possibly they meant that whatever he asked from his mother and father, who made this fraudulent living from the I Am students throughout the country, would be forthcoming; but it seems when it says "Many of you are coming to the same point," that this obviously referred to precipitation.

Again John the Beloved's discourse in 1937 said:

> "There never were two so disinterested, selfless human beings on the face of this earth as these messengers are. Beloved people, I have told you that what comes into these books is put into this work to save humanity and America."

No wonder the money was given—to save America. We would all give money to save America if America needed saving as [834] the Ballards claimed it did.

Eloise Pinkerton of Toledo, Ohio, testified to a conversation with Donald Ballard where, after the meeting held in Toledo, he stated, indicating people grouped around his mother, "How much longer are those people going to swallow that stuff?" And Donald Ballard testified that he can't recall ever having seen Eloise Pinkerton. Possibly he didn't remember, but that young girl who attended Toledo

University would have no motive for getting up on the witness stand and lying in this case.

Catherine Rogers testified as to Donald Ballard's statement regarding his mother, the accredited messenger of the ascended master Saint Germain, where he told Catherine that his mother was the meanest woman on earth. That is the sort of outbreak that a young boy might give in to; certainly not if he knows his mother was an accredited messenger of the ascended master, Saint Germain.

Then we have Portia Terry describing Donald's temper at the Shrine Auditorium when he almost got up and exposed the entire movement and was kept down by Marjory and Mrs. Terry, and he told them why he got up on the way home in the automobile. He said he was going to expose the entire movement as a fraud. Possibly it is too bad for everyone concerned that he didn't do that at that time.

He told Portia Terry that he knew his mother had never been held in Jesus' arms, contrary to the public statements made by his mother.

At a staff dictation Donald Ballard argued with Saint Germain and that great lordly ascended master told Donald Ballard to shut up.

Donald Ballard read magazines and drank soda pop behind the curtains while the discourses were coming from the ascended masters.

Now, in conclusion, I first wish to state I will not go into any evidence relating to Edna W. Ballard. If she hasn't been [835] guilty of a fraud in this

case, then nobody has ever been guilty of fraud in any case. The entire subject matter revolves around her. Anything done by the other defendants had Edna W. Ballard's finger in it.

You will find that you will be addressed by the defense tomorrow. You will probably be spoken to by four very capable attorneys. You will probably find that they will throw a smokescreen or attempt to throw a smokescreen around the issues of this case. They will claim, undoubtedly, that this is a religious persecution and possibly excerpts from the Bible and other books will be read to show that miracles were alleged to have taken place there too. Now, gentlemen, the Government admits that miracles are set forth in the Bible, and it is not our purpose here to try and determine whether those miracles actually happened or didn't happen; but we do know this: that the Apostles, the various writers in the Bible and the people that compiled the Bible, put the Bible together, did not put these adventures, these great miracles together for the purpose of selling books. They were sincere people that had these visions and did not commercialize upon them.

The court will instruct you further, I am sure, that this case is not to be considered as a religious case. Just as the defendants will claim that the Government is persecuting a religion, so does the Government claim here that we are defending the rights most sacred to man, the right to believe and have faith in what he will, knowing that he need

not fear any spiritual or financial fraud from those who are seeking to impose their will upon others for purely selfish mercenary motives.

You gentlemen are trying this case—this important case I might add—in very unusual times. The country is at war. And a case of this sort makes it devolve upon you here to see that the defendants are convicted if you find that they are guilty of fraud so that those who are fighting for our country will find that they [836] have something to come back to worth fighting for.

Mr. Peterson: May it please the Court, counsel for the Government, and gentlemen of the jury: I think at this moment I ought to say a word or two in appreciation for the manner in which this case has been conducted by Judge O'Connor. I think that you join me and I know that counsel for the prosecution join me and I know that my own associate counsel join me, in appreciation of the fairness and the patience. He has occupied a very difficult and hard position in keeping this case going along a smooth and orderly line. All contested cases, gentlemen, are in the nature of a battle and, therefore, there is bound to crop up things that become unpleasant. It takes skill and ability to keep a steady hand. That we have had the pleasure of having in this case.

It may be doubted sometimes whether there is any particular point in arguing to a jury. I have no doubt lots of people sit where you gentlemen

are sitting and sometimes feel, "I wish that individual would sit down. We have heard the evidence. We don't need the help of argument." I don't blame you sometimes for having that thought. Still the human mind, being what it is, sometimes there are things we overlook. Sometimes the other fellow's viewpoint is valuable to get. Because once you leave the jury box and go into your deliberations, neither the Government nor I can say anything more to you. You then are the sole and final arbiters of the outcome of this case. So I shall make a few observations that I think may be helpful in presenting the viewpoints of the defense. I am not going to talk very long. I don't believe in long arguments. Maybe they are helpful and maybe [837] they are not. I don't think they are.

I can remember years ago when I first started to practice here we had a judge by the name of Henning who came here from San Diego to sit on the federal bench. He is a very fine gentleman indeed, and I once went in to ask him when I was starting here about how long he thought a person should argue. He said, "Well, I will tell you, there was a young preacher who was going to make his first sermon and he went in to see the old preacher to ask him how long he should talk. The old preacher said, 'Well, you can talk as long as you want to, but there are very few souls saved after the first 20 minutes.'"

I can't promise to stop in 20 minutes, gentlemen, but I am not going to bore you, I hope.

To those of us who have been around in federal practice, we know instantly what a mail fraud case is; but to the layman it is not always perfectly clear what Congress meant when that bill was enacted. In this country about the Government monopoly we had for many years outside of the coinage of money was the mails. That was strictly and still is a Government monopoly. It was to prevent any instrumentality of the Government being used in the commission of a crime that this statute was provided, and so the statute punishes people who devise a scheme to defraud others and effectuate its use by the use of the mails. That is the purpose of the law.

It was probably thought of about the time the big promotion enterprises started here. You will remember we have had several pretty good-sized ones in the oil business when this particular Southern California area was flooded with countless stocks and oil companies that were fly-by-night fellows that had nothing back of their enterprise except a desire to get money from the public. Another typical illustration came from New Mexico during the days of prohibition when—I think it was in the Police Gazette—some [838] enterprising fellow advertised two quarts of Canadian rye, $6.00 each postpaid. Well, Canadian rye, being a well-known whisky and difficult to get here, the gentleman had many customers and the unfortunate victim when he got his bottle found it was filled with the grains of rye like wheat. That is a typical mail fraud case. De-

spite the fact the purchaser wasn't entirely free from blame, it illustrates what a fraud is, because the man purchasing that in good faith wasn't getting what he paid for.

Supposing for instance, I claimed that I owned a thousand acres of land up here in the San Fernando Valley free and clear and I sold interests in that land and pretty soon it came to light that that land was mortgaged, so that everybody I sold to, when that mortgage was foreclosed, lost what they put in. There is a typical fraud. You can see that.

I don't see this case as a mail fraud case. I never have been able to see it as such. I think it is significant—and I don't think my memory is at fault—I don't remember Mr. Lazarus once in his opening argument adverting to the use of the mails in this case. Not once. If he did, I will stand corrected. It isn't a mail fraud case because it wasn't essentially such, you see. Any use of the mails here was entirely incidental. It isn't the kind of a thing that was meant to be tried out here in the federal court.

I wonder at your patience as you sat here day after day trying this kind of a case when we are in the midst of the world's worst holocaust, the greatest national peril that this nation has ever been confronted with. However, you have had a duty to perform, I have had a duty to perform, and the Government no doubt has had a duty to perform as they see it; but it seems to me that we have taken up

an awful lot of time on something of this kind which, to my mind, merely affects the private beliefs of different people.

The Constitution of the United States, which was a document [839] born after considerable work, toil and trouble—I guess what Mr. Churchill called "blood, sweat, and tears"—was born back in 1789. Before it was finally adopted, different delegates wanted different things added to it. They weren't sure that their liberties as American citizens were going to be protected. So there were some additions made to it. Among others was this: "Congress shall make no law abridging the free exercise of religion."

That means that if Brother Neukom wants to believe one thing about the hereafter and I don't want to believe anything about it and Mr. Cannon wants to take his particular religion, and Judge O'Connor has his, that we have a right to worship in that religion, we have a right to exercise our thoughts along that line and no one can tell us that we should or should not do so. That is a rather sacred guarantee, because there has been more bloodshed in the history of humanity over the differences of opinion in religion than probably any other cause of war. Our forefathers in drafting this United States Constitution were very wise to put that provision in. I hope that the day has not yet come when the courts will declare that that shall become inoperative or shall permit it to become inoperative.

We have seen the unfortunate spectacle in Europe

of the growth of the dictator nations, ruthless, cruel, bent only upon one thing, the level of the common mind down to that of the slave status—the very antithesis, the very contrast of the America that we live in today.

I hope when those of us who have gone abroad to fight the battles of our country and those of us who may still go will not come back to an America where they cannot find the exercise of religious freedom and this freedom of thought they found when they left to protect that country. Those are not words I am not saying merely to talk to you; those are words of a thinking American [840] citizen. It is well for us to consider.

A word or two about Mr. Lazarus' statement to you—and I am not going to touch on them much—he made one remark though that I can't let go without commenting on, and that was that the jury represented the Government. Let me tell you, gentlemen of the jury, you represent these defendants just the same as you represent the United States Government. You are the balance between the two, and you are the scales, just and impartial as that Goddess of Liberty who stands in New York Harbor with the scales in her hand upon which right and wrong are balanced. You are the arbiters in this case. You are the bulwark that the American forefathers had sense enough to build up against tyranny and oppression. It will be an awful sorry day in America if the jury system ever passes.

Clients say to me sometimes, "What do you think of the jury system?" and I say, "Well, it has its imperfections. Everything human has, but I wouldn't trade it for any other form of adminstering justice or arriving at facts."

I have tried lots of cases before courts without a jury and I have tried lots of cases before juries where I thought the jury didn't come to the right decision, but by and large, the minds of twelve men are better than the mind of one man always.

I spoke something to you about the persecutions that we have had against religions since the memory of man. The Crucifixion of Christ, of course, is always with us, but let's take the Romans and what they did to the Christians after the Crucifixion of Christ and before the Christian religion really sprang as a full-grown religion; once started consequently has swept the world and has been responsible for the progress of the human race.

Because those men were Christians, and as they believed the concurring heads of the Roman Empire did not believe, they were subject to all manner of cruelty. Nero used to take to his large dinner parties 20 or 30 Christians, put them on poles and cover them [841] with tar and set them on fire. They made a flaming row of torches for his guests to walk through. We found in the middle ages the same persecution of people for what they thought and believed.

Now, I am not condoning a religion like those of

the Aztecs in Mexico which believed in human sacrifices. There are limits, gentlemen. You can't throw a cloak over wrong-doing, over cruelty, and say: "This is the cloak of religion and so the priests are right and everyone else is wrong." I don't hold with any such belief at all. If I did, I wouldn't be a bit better than the old Puritans in New England who burned harmless old ladies because they thought they were witches. I wouldn't be any better than that board of magistrates in England that, when someone was suspected of being a witch, they threw them into the river, and if they sank they were innocent because the river would receive them; but if they floated they were guilty. The river would not receive them so they took them out and executed them. That is a fine way to test the verity of a religion. That is a fine way to administer justice.

Probably the most outstanding example of woman martyrs to religion is Joan of Arc; yet today she is a saint. Sometimes it takes the perspective of time to really show us where the truth lies, but in this enlightened day and age, gentlemen, there is no excuse for that, none at all.

Why, in the last century we find the migration from some of the eastern states to Utah of the Mormons. I have known a good many Mormons both here and around the Bay region. I found them to be pretty fine, respectable people. Yet they were compelled in the quest of their own religious freedom to uproot themselves from the communities in which they resided in the East.

We will take the Puritans in Massachusetts. They were searchers for religious freedom who were compelled to leave England and establish their own freedom here.

Now, because these people, not harming anybody that I can see, [842] chose to found a new movement, we are characterized and anathematized by the gentlemen of the prosecution as fakes and frauds and glib prevaricators. Those are harsh words to apply to a woman. I wouldn't do it myself. Because, and for no other reason, we speak of the supernatural, that we have a belief in the hereafter, we are to be damned with the mark of infamy and branded as felons. That is a fine concept of modern American jurisprudence.

What, after all, gentlemen, is the essence of religion? What is it? It is a belief in a hereafter. I don't know how many people would go through this life if in their hearts they felt the grave was the end of everything. Most people don't feel that way and even those that do hope they are wrong. Even old Robert Ingersoll, who was the greatest and most noted atheist and agnostic we have had in America that I know of, on the oration of his brother's grave said, "Sometimes we can hear the rustle of an angel's wing and see a light beyond the mountain that shuts us off." I haven't quoted it exactly, but that is in substance what he said. So that hope is deep in all of us, and so it was deep in these people. I don't care what you think, I

don't care whether you think my thoughts are fantastic or I think yours are fantastic, whether you think what I believe is improbable or unlikely, or I think what you believe is improbable or unlikely, we are entitled to those beliefs.

Now, a mail fraud case usually comes out to a pattern. The Government gets up and says, "These defendants intended to defraud A. B, C, D, E, F, and all those other people," and all those people are brought to the stand and they say, "Yes, I gave the defendant my money and I didn't get anything for it. I believed what he told me at the time and now I know it is false, and that is how he defrauded me."

In this case you see the strangest thing that has ever been seen in a mail fraud case in the United States. You have seen a [843] veritable swarm of witnesses take that stand, men and women of good repute, of good standing in the community from which they come—doctors, business men, people in all walks of life—and tell you that they got nothing but good from the Ballard movement; that they believed in it; that they were happier and that they were better citizens. And you could tell it by looking at them. The eyes don't often deceive, not when the subject looked at is brought into the clear light of a courtroom.

If that is the kind of fraud that we have, to produce honest, respectable, responsible people like

that, then I think I will have to change my general understanding of fraud. The two don't go together.

As much as it has been derided by nations in times past, by ignorant people, by fools, by rogues and by those who didn't understand it, there has yet to be a greater book written than the Bible. I am not a Bible student, but I can remember a few things about it when I went to Sunday school when I was a boy on a farm. And I remember this: By their works ye shall know them. And those people that took the stand here are some of the works of this movement.

I know, gentlemen, that there must be working in the heart of every juror a thought, "Well, if these people weren't guilty, what is the powerful United States Government doing prosecuting them?" Abuse your mind of that thought. The Court will instruct you to do so, and you must.

A person never knows when he himself, innocent though he may be, may stand before the bar of justice and that black cloak of suspicion that settles upon him merely because he is a defendant, that is a hard thing to get away from. But you must get away from it. And I know that you will.

In every religion, in every religious movement, there are people who, for one reason or another, have dis-associated themselves from that movement. Whether they have had a change of viewpoint. [844] whether there has been internal dissension—after all, we are all human beings, and I don't care how religious they are, we are subject to the same frail-

ties, we are hurt by the same fire, angered by the same taunts, become disturbed by the same misunderstandings, so in every movement, as in every political party, as among the people in this audience, there is a divergence of views and the people who testified here for the Government, for the most part, are people who have had either personal quarrels with the defendants or, for some reason, have left the field. And now they come in to try and tell you that these are bad people, that these are criminals, that we shall stamp them with the name of common convicts and put them away in prisons to expiate their sins.

If you want to see what criminals look like, come over here some Monday morning when the criminal calendar is called, and the thieves and pickpockets and burglars and murderers are brought out, people who have been in one, two, three times or more. Get an idea of what a criminal looks like, and then contrast it with the appearance of the people whom I have the honor to represent.

Yes, we are guilty. We spoke of supernatural experiences, spoke of Saint Germain. What a simple thing! You look at a thousand other religions, a thousand other people who have their own beliefs in the supernatural. Is the Gideon Society that places the Bible in each hotel room in the United States guilty of a fraud because it disseminates a book that tells of the actual resurrection of Jesus Christ? Must be. You can't carry water on both shoulders. You can't make fish out of one and fowl out of another.

Why, this morning I picked up a little book. It is called "Unity." There is a church, maybe there are a lot of them here, Unity Churches. This book sells for 15 cents, and I notice that it was entered—if I can read that small print—way back in 1879 in the Post Office, so it has a permit to use the mails and go through as second-class mail matter. [845]

By way of illustration, we will look at it for a minute. Right on the inside front page: "Healing. My health springs forth speedily when I trust in Thee." Why, these people must be criminals, they ought to be, thinking that a person would have better health and feel better if he believed in God.

"Prosperity." Now, we are getting bad here. We are getting down into the realm of dollars. "Filling my mind with thoughts of Thy unfailing resources, makes me see and manifest prosperity." Is there any difference between that teaching and that of the teaching of this movement?

Where are you going to stop once you start prosecuting religious beliefs in ordinary, decent American citizens? Where are you going to draw the line? You might as well forget that we have any United States of America, you might as well forget it, because it will vanish just as surely as the sun vanishes when night comes. The difference is, there will not be any sun coming up in the morning if we do that.

What is a religious concept? What is the basis of it? One of the bases is, if we do good here in life

we are entitled to a better life hereafter. No one can say that the lives that we live are perfect. They are filled with hardship, they are filled with sorrow, they are filled with grief and disappointment, pain, agony, sickness, distress, want. Who wants to consider that the benefits in this life are all they are that makes a life worth living? If you don't give human beings some hope based upon some reason, if I thought myself that there was nothing beyond except what I do from day to day then die and be blotted out into the blackness forever, that is not a concept upon which righteous or good human conduct can endure, gentlemen.

I started to tell you about some of the things that are recognized as having been supernatural in history, but I think the one illustration of Christ will be sufficient. It doesn't serve [846] any useful purpose to go on with that. If you will just kindly bear in mind that you are trying a criminal case, you are not trying these people for having the right to believe in what they believe or to teach what they teach. This is a case where you are either going to say that these people are not guilty or that they are guilty and they are convicts and they ought to be punished and put away in the penitentiary. I don't think, gentlemen, that you are going to come to that conclusion. I can see no sound basis upon which you can come to it.

You may not like the way that certain defendants testified on the witness stand. Gentlemen, I hope that none of you ever have the experience of having

to get up on a witness stand where you are a defendant in a criminal case. It is one of the most trying ordeals in the world. I even dislike being a witness in an ordinary case, and I make a miserable witness, and here these people are with their liberty at stake. You cannot lie back like you had a little series of rat traps and every time a slip was made—"Ah, ha, we got you that time. Caught you now. Didn't tell the truth. You are a liar. Liars."

This is a great world, gentlemen, and we had a great man once by the name of Emerson. Many people didn't believe in what Emerson believed. But he did write one essay that was very good. It was called "The Law of Compensation." I don't know whether any of you have read it. I hope you have. In the end we generally get paid for the things that we do, good or bad, and generally there is a reward for the things that we do that are good. Bear that in mind.

It is unfortunate, doubly, trebly, a thousand times unfortunate, that the founder of this movement is not here before you. He is not in this life. Whether you believe that he ascended or whether you believe that he did not is of no particular moment. He was the founder of the movement. He is not here. You have heard from [847] those who have followed him and believed in him. I wish it had been possible for him to have been here.

It is a matter of no moment to this case as to whether Mr. Ballard ascended or went into the hereafter, as these people believe and think, or

whether he didn't. The question is whether they believed it in good faith. That is all. It is a question of good faith. It is a question of whether there was an intent to commit a felony by violating the laws of the United States through using the mails.

We are supposed to have taken in millions of dollars. Why, when Brother Lazarus talked I could almost hear those $20 gold pieces tinkle. The books of account of the Ballards were the books of account of two corporations. Corporate books of account are open to the Government at any time they see fit to subpena them. The Government has had those books of account in their possession. If this is the gigantic commercial fraud with which we are accused where, I ask you, is the testimony that could have been brought before you that these books of account would then have revealed?

The Government, gentlemen, has a long arm and it doesn't hesitate to reach out after you or after anything that you have that will aid it in the prosecution of what it believes to be a crime. And you can rest assured that if those books showed any such thing as they contend for, you would have had them here and one or two accountants to testify in detail about them. And don't you ever think you wouldn't. You are business men and you know what I am talking about.

If I go down here and I am employed in the First National Bank as a cashier, and I embezzled over a year's time $10,000, and I am brought up here for trial, don't you think the bank examiner would be

here with those books to show where I got away with that money? Don't you think so for a minute. And don't you [848] think for one second that if the Government had been able to substantiate this as a commercial fraud that it wouldn't have done it. And the resources at the command of the Government are unlimited, and growing more so every day as we become more and more centralized.

The great fraud! The great I Am fraud! These commercial defendants—Betty Mundy, Bill Cassiere Paul Stickell, Donald, Mrs. Ballard, Louise Majerus—the great sextet of criminals which we have plucked up from the dismal bottom of the sea of crime. Indeed, gentlemen, they are—very, very desperate criminals.

It is rather difficult to find words just to express that thought. A case of this kind is kind of a borderline case. In my opinion, it is going to mark a new step if these people are convicted. I don't like the necessity of centralization of the Government that the war is bringing, but if it is going to bring that kind of integration, that kind of centralization, that kind of autonomy, that kind of stifling of the rights of liberty and the rights of the individual that we have in the totalitarian powers, I don't know, gentlemen. It doesn't leave me with a very happy thought about the future of our country.

I don't know whether I have conveyed to you what seems to me to be the essence of this case.

I hope that I have. I have tried to. I will see if I can sum it up for you again.

Let's put it as a trial of the right of private liberty, of private conscience, of private religion; the right to believe and to think and to tell others and to try to get others to follow us.

We haven't seen among any of the followers or beliefs in this movement anyone that I have noticed that didn't appear to me to be a kind of a credit to the community in which he resided. They are law-abiding, they teach the elements of morality, they don't sanction anything that is wrong, and yet you have them in here because, forsooth, their magazines went through the mails.

You heard from one of the men who was accused of this crime [849] before and acquitted, Charles Sindelar. Mr. Sindelar took that witness stand. He is a painter. You will remember, gentlemen, the artist. Apparently he is a man of international repute and fame. He told you about the vision that he had when he made the painting. Well, lots of people in the world, gentlemen, have had visions. They have not gone to prison or to the stake or gallows for it. Lots of them have, but I hope to heaven that we have gotten over that kind of way of treating people in what is supposed to be enlightened America.

There is a danger from within here in America, just the same as there is a danger from without. There is a danger in times of stress and peril that we may get away from the common bases of com-

mon sense and common justice that dwelt in the hearts of our fathers that founded this country, that founded it upon a rock of freedom and not upon the bars of a prison.

I cannot think, gentlemen, that you will let yourselves come to the conclusion that these people are criminals, and that is what you will brand them with if you convict them—common, as Brother Lazarus says, cheats and frauds. And how those words rolled off his tongue—cheats and frauds.

I think they are honorable people, and I don't care whether I believe or someone else believes what they believe or not. After all, we are living in America, and I say to you, gentlemen, and I say it from my heart, and I am not going to say any more—they have got a right to believe, to worship, to think, and if they will, to get others, if they can do so, by peaceful means to think with them.

Just a little word about this commercialism, and then I am going to stop, because it is something to advert to because if you can tie real commercialism into a fraud case, then I say maybe there is a good deal in what the Government says. Witness after witness took the stand and told you that they never asked for [850] anything. What church does one go into where one isn't supposed to make some sort of a contribution for the parson? How is he going to live? Good heavens, they had to eat, they had to sleep, if they traveled about they had to have hotel rooms, they had to have transportation, they weren't endowed. Nobody reached into the pocket

of the people in the congregation and abstracted a dollar or 50 cents or something of that sort. This money came in voluntarily. You have heard the people tell you about it.

No gentlemen, I don't think they warrant a conviction in this case. I want to thank you for your attention, too. You have listened carefully, and I have tried, as I told you, to be brief and yet cover the essential points of the case. If you will only remember to do as you said you would when you were examined as jurors to keep in that frame of mind that you would want a jury to be in if they were judging you when you were a defendant, I will be satisfied. I won't have any complaint to make, none at all, if you do that; and I want to thank you for listening so attentively. [851]

ARGUMENT IN BEHALF OF THE DEFENDANTS

(Continued)

Mr. Gilbert: May it please the Court, gentlemen for the prosecution, and gentlemen of the jury: I was a little disappointed yesterday when Mr. Lazarus was passing out the compliments that somebody from my office wasn't here to hear him, because there are a few of them down there that haven't heard yet I am supposed to be the head man. It might be time for them to be finding it out; at least I would like them to know it.

Mr. Lazarus told you yesterday that the defense in this case would claim this to be a religious

prosecution. What we propose to do is to rely and call your attention, as Mr. Peterson has already done in part, to the Constitution of the United States, to the words of the Court that have already been given to you as partial instructions in the case, to the incidents of history both religious and non-religious, and to incidents in the Bible; all for the purpose of trying to demonstrate to you but not to try and compare any religion or any events with this religion, but for the purpose of complying with the instruction the Court has given you that this cannot be a heresy trial and merely try to demonstrate to you that the things that are taught in this activity and the things that are believed in this activity are things that are subject to belief by many people, reasonable people, and intelligent people and that, if those things that are taught here can be believed by those millions of people who have believed them and who believe them, to then submit to you the proposition that that being true, what is there there and why is it that these people cannot also sincerely and in good faith believe those same things.

Now, preliminarily I should like to give you four instructions that I think the Court will give you later. Of course, whenever an attorney says that he thinks the Court will give you an instruction [852] on so-and-so, and if the Court later does not do so, naturally you will disregard anything that has been said in that connection. The instructions are submitted to the Court for his approval

and they may or may not be given. So any references made to instructions, with the exception of one I propose to read to you that has already been given, are made in anticipation only.

There is one instruction with which you are all familiar and you have heard it all your lives, and it is the instruction that relates to the presumption of innocence on the part of all of these defendants. That is an instruction that goes with you to the jury room and it is an instruction that must not and should not be forgotten by you at any time in your deliberations, and it should be taken by you in connection with the next one, the instruction that the burden of proof in this case is upon the Government. You have heard that same instruction many, many times before, but when you bear those two instructions together, that the defendants are presumed to be innocent and that the burden of proof in this case, not by a mere tipping of the scales, not by a mere preponderance of evidence, but beyond a reasonable doubt, rests upon the Government. I want you to recall that Mr. Cannon told you in his opening address that we were going to stand pat upon those instructions and that we were here to meet issues and not create them. Bear those in mind when you recall in your deliberations Mr. Lazarus' remark about why didn't the defendants prove certain things. That is not our job. The job of proving these things is on the Government.

There is a third and very important instruction which we anticipate will be given and it is to the

effect that in this case you will be required to exclude all possible theories of innocence before you may find these defendants guilty, and if there is any reasonable hypothesis upon which you may find these defendants innocent, then you must do so; if there is a reasonable doubt as to [853] whether or not these defendants are innocent, then in that event you must also find them not guilty.

The fourth instruction that I desire to state to you preliminarily is one that has been given to you by the Court following a discussion of counsel. After you came back into court, it was read to you; that is, the discussion between the Court and counsel, was read to you at length by the judge and this instruction sets forth the fundamental basis of this lawsuit.

Following the discussion the Court addressed you as follows (this was during an interruption in the testimony of Mrs. Margaret Schall, and when you came back to the court-room the Court addressed you):

> "Gentlemen of the jury, yesterday when you were dismissed, arguments were made by counsel on both sides with reference to evidence in the case. The arguments of counsel on particular points raised are not necessarily the comment that I am about to make.
>
> "At the conclusion of the arguments, the Court defined the issues in this case, and it was the request of counsel for both sides, the

Government and the defendants, that the statement be read to the jury which might enable you to direct your minds to the issue in the case and eliminate probably some matters from the evidence that might be confusing. So with that preliminary statement I will read what I said to the attorneys yesterday.

"'Now, gentlemen, here is the issue in this case:

"'First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely [854] improbable to a great many people, for instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable.

"'I point that out as one of the many statements.

"'Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be so told in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that

as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this court.

"'The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

"'If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty.

"'Therefore, gentlemen, religion cannot come into this case. I want to assure Judge Armstrong [855] and the defendants and the Government that it will not be permitted to come in.

"'Now, we take up the third point, so there is going to be no misunderstanding so far as the Court is concerned.

"'No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were. And the defendants, I assume from counsel and counsels' statements with reference to the books and pamphlets have not so far withdrawn a single word of what they have written or what they have preached. The de-

fendants, so far as I can gather it from the case, although they haven't started to put it in, are standing on the whole—not program—but the whole conception (I think that is a better word)— the whole conception of their relationship with the deity or, as it is used here, with the I Am Presence.

"'Now, gentlemen, that is going to be made so clear to this jury that they are not going to misunderstand it. And that is the whole case'."

So we start out with the fundamental proposition that the actualities, the events, the verity of the happening of the events, is not to be the subject of any deliberation by this jury. It is not a question of whether or not these things happened or didn't happen. It is merely a question of whether or not these people in good faith sincerely believed that they did happen. You may not in your deliberations, for example, assume that Jesus did not shake hands with the people or place His arms around Mrs. Ballard. And therefore, in view of that last instruction, the instruction that stated what the issue is, my discussion is going to be confined [856] almost entirely to the question of the good faith and the sincerity of the defendants as revealed by the Government witnesses themselves; and to try and demonstrate to you, not only from these other historical events, but from the Government's own witnesses, reasonable intelligent people, that these things are the subject

of belief by them; and to leave with you finally, as indicated before, that if these things are the subject of belief by reasonable people, then you cannot, we will submit, find us insincere and in bad faith.

Now, I listened yesterday to Mr. Lazarus to find out one thing in particular and that was whether or not he would tell us even approximately the date when this fraud started. He hasn't done it. I know the Government is going to say they don't have to prove the exact date on which the scheme was born—I know that—but as a matter of proving a fact to you that the scheme was born, doesn't it seem apparent that somewhere along the line there would be some evidence of the date, within at least approximate areas, when the scheme was born and the fraud started. We think the evidence, the documentary evidence as it goes along, the statements of these witnesses will prove to you that there never was, and the reason that the Government didn't try to point it out is because there never was a fraud nor there never was any scheme as they describe it, a scheme to sell books.

The testimony in the lawsuit begins with the year 1930 at two different places: One was Mrs. Bliss' meeting Mrs. Ballard in Chicago in 1930 and the other is with Mr. Ballard in California at Mount Shasta. Mr. Lazarus started off at the beginning and told you right at the start Mr. Ballard did not come to California and was not in California on Government business. Mr. Ballard's lips are sealed as far as our ears are concerned, but it occurred to me that if anybody would know who his employee

was or wasn't, it would certainly be the employer, and if the Government in this case does claim that he did not work for them, the proof is available to them. [857] They will say perhaps that that was a long time ago, but Mrs. Bliss goes back quite a long time, back to 1930. They found Wilbur Curtis Smith way down in Florida back in 1935. The Government cannot shift the burden of proof, and it is those things, in connection with those things that we gave you those instructions of the burden of proof and the presumption of innocence in favor of these defendants.

Now, at Mount Shasta Mr. Ballard wrote some letters to Mrs. Ballard. They are in evidence as Government's Exhibit 203. I have copies here, not the originals. These letters are private correspondence between husband and wife. They are not written for any publication at all. They are written simply between each other, and they are to my mind with one exception the clearest proof in this case to you gentlemen that there were no bad thoughts, no evil intent, and no scheme in the minds of either Mr. or Mrs. Ballard at the time these books were written, or thereafter. The one exception is a letter we will bring to you later which was a private communication from Mrs. Ballard. She thought it was a private communication, at least, from Mrs. Ballard to her son Donald.

Incidentally, the Government now makes no contention that Mr. Ballard was not in Shasta at the time stated in the books and at the time these letters were written from Shasta.

He addresses his wife "Beloved Meta, Blessed Angel of Light"—this is one of the letters that apparently—it is an undated one, it is not dated on the letter itself—but it was written early, and in that letter he refers to the "Unveiled Mysteries." He states in that letter:

> "His highness says that when the first book begins to get into circulation I will be wise to change from here for immediately people will begin to come here quietly to try to find out who Ray is, knowing it was written [858] in this locality, but he said that should not be changed."

Now, gentlemen, if there was a scheme in Mr. Ballard's mind at that time to attract people to him, would he be writing to his wife that he would move away from the place that people would come to him? That isn't the workings of the mind of a man who was commencing and setting out on an enormous scheme to defraud people of their money, is it?

He addressed Mrs. Ballard on September 4, 1930:

> "Those blessed master books"—apparently he is referring there to other books that he had been reading and which are mentioned in the correspondence—"Those beloved master books everything is surely in them and the inner secret. Gee, how like mine was his experience. Yet notice how he says the great

low vindicated him. It is wonderful. This morning your three letters of the 31st, 1st and 2nd came with the magazine. What blessed letters. Thank you, love."

Then it continues on.

But Mr. Ballard, in September 4, 1930, is writing to his wife about the inner secret. He is writing about experiences that someone else has had in the inner secrets and remarking to his wife, in private correespondence before the publication of any books and clearly with no evil intent in his mind, of the experiences that he has been having at Mount Shasta.

Again he addressed from Weed, California, one of the other letters. He was talking about the cabins and their future together.

"You can be sure in the invisible it is all worked out now."

Skipping a little: [859]

"Well, our life and affairs are now under perfect divine order. So be it."

He referred in another Shasta letter, the one dated 8-11-30, at the concluding paragraph:

"It is so ridiculous to think the Almighty God in us cannot do instantly whatever we desire to do that is good. It is all a matter of concentration and stillness. Worlds of love and blessings to the two most precious ones. Your adoring Ray."

Those letters, gentlemen, if you will take them and analyze them—there is one more comment on this letter of 5-3-30, in which he wrote again to his wife:

> "I may possibly know far more of what has gone on there of the tremendous experiences you have gone through there for me and our precious boy never thinking of your precious self. That is why at one time I almost went mad, dear precious heart. I know you have only told me a small part of what has gone on there, but that I have been a channel of strength and healing to you has sustained my reason."

That is the inner thought and the inner belief and the inner conviction of Mr. Ballard in his own mind back in 1930, and you may rest assured that it wasn't something that came to him overnight, a process of working out over a period of years, and to his wife in the private communication at that time, not made for purposes of publication, not made for purposes of trying to draw anybody into the necessity of a scheme for money, he tells her that he feels that he has been a channel of strength and healing to her. That is his personal belief, evidenced at a time before any notion of any criminal prosecution could possibly [860] have ever occurred to anybody.

Now, the Government's witnesses have all testified, and the defendants' witnesses as well, that

they believed what was written in "Unveiled Mysteries," and Mr. Neukom has read to you certain sequences out of the "The Magic Presence" to show that Mr. Ballard couldn't have made—he will contend possibly that he couldn't physically have made—the trip set out in those parts that he read.

Well, what did Mr. Ballard teach these people in "Unveiled Mysteries"? What did they believe? In the foreword Mr. Ballard said:

> "To those who read this work, I wish to say, that these experiences are as real and true as mankind's existence on this earth today, and that they all occurred during August, September, and October of 1930, upon Mount Shasta * * * "

Mr. Lazarus pointed out to you yesterday a date in this book beyond October of 1930. What was Mr. Ballard stating to these people had happened at Mount Shasta? Mrs. Ballard told you, and this is the belief of the people, and this is what is written in the book, and it is what the people believed, not that Mr. Ballard had these experiences in the physical body, but that Mr. Ballard had these experiences, as Mrs. Ballard calls it, in the inner levels, and that is what is stated clearly and unmistakably in the books. There is no representation at any time that Mr. Ballard had these experiences in what they called the outer world or in his physical body.

On page 15—this is under the chapter "Meeting the Masters"—it is stated:

> " * * * While I have always been in touch with you, when we were both in our finer bodies your [861] conscious effort of reaching out to some one of the Ascended Masters opened the way for me to come to you in a much more tangible way, that is, tangible to your physical senses."

Dropping down:

> " 'This,' he explained, 'is the body in which I work a great deal of the time, when occupied with the welfare of manking * * *"

Then on page 16:

> "'Oh!' I exclaimed, 'now, I know you for I have seen you many times like that, at the Inner levels of consciousness'."

And then the experience, the first experience that is in the book relating to Mr. Ballard leaving and traveling with Saint Germain, commences on page 18, where Mr. Ballard says:

> " * * * I stood outside my physical body, seeing it clearly as it reposed upon the ground. I wondered if it would be safe there on the mountainside, and in answer to my thought, Saint Germain replied:
>
> " 'Do not be disturbed. Not a thing in the world can harm your body while we are away. Observe!'
>
> "Instantly, I saw it surrounded by a White

Flame, forming a circle about fifty feet in diameter."

And on page 23 another experience:

"'Notice!' he reminded me, 'you are experiencing these activities in your finer body, but they are none the less real because of that, for your physical body is only a garment which you, the Self-Conscious, thinking, and experiencing individual, wear'."

Again on p. 27, when they returned: [862]

"'Watch the circle of White Flame disappear!.' I looked. It vanished."

And as the various chapters begin in "Unveiled Mysteries," each time that is made self-evident, and I want to read each of them to you so there can be no mistake when these people told you what they believed, the witnesses for the Government, just exactly what Mr. Ballard set out in the book and what they believed and what they told you and what they did believe.

On page 74, in another chapter, "The Royal Teton":

"Instantly, I stood out in my finer body, clothed in a rich garment of self-luminous, golden fabric."

On page 110—this is Saint Germain talking:

"'I have come to take you on an important journey. We will be gone thirty-six hours. Draw the curtains to your room, lock the doors, and leave your body in bed. It will be guarded

until our return. You have made certain Inner advancement, and a very interesting, delightful experience and journey are ahead of you.'

"I prepared my body for bed and soon became very still. A moment later, I stood upon the floor outside of my body clothed in the same golden garment I had worn on my visit to the Royal Teton. * * *"

Again on page 126:

"On the evening of the eleventh day while retiring, I heard his voice say distinctly:

"'Come!' I had learned to obey that call and immediately stood outside of my body, passed quickly through space and in a few moments came to the Royal Teton. * * *"

On page 164, starting the chapter on "Buried Cities of the Amazon":

"I touched the beautiful, wonderful fabric [863] and was so fascinated that I stepped forth from my physical body, and was unaware of it, until I turned and saw it lying in bed."

And the last one in this book is on page 243, a new chapter, Chapter 9:

"I spent the remainder of the day in deep meditation. He arrived at seven o'clock and as I had already placed my physical body in bed I stepped forth in the one he had prepared for me."

Well, that, gentlemen, leaves it very clear what was being stated in "Unveiled Mysteries," and what

Mr. Ballard represented was not that he had made these excursions in the physical body, but that they were experiences of his on the inner plane, and that they were as real, as advance and as luminous and tangible as events that happened to people in the outer or physical world.

"The Magic Presence" carries the same thing. I am not going to read anything here, except the statement that in "The Magic Presence," which was the second book:

> "My experiences were the results of applying the knowledge he had previously revealed."

So that the same thing carries forward into "The Magic Presence," and while Mr. Neukom read you from different pages in this book as to where Mr. Ballard was supposed to be at different times, and told you, if I remember correctly, in his opening statement that he was going to prove that Mr. Ballard was physically at places where the books would show that he couldn't possibly have been, that is the explanation, and what these people believed, that there never had been a representation that Mr. Ballard had physically been there, but even under Mr. Neukom's theory of a physical trip, let me direct your attention—Mr. Neukom read from "The Magic Presence", and he left off reading at a point where we were to remain there for [864] months. I have forgotten the exact page of it, but he was trying to leave you with the impression that Mr. Ballard was to remain at that place for many months and

hence couldn't have returned for the reception of the dictations over the ray in Chicago. Even under his own theory, Mr. Neukom, I think should have read you this on page 390 of "The Magic Presence":

> "'Now your real service will begin. All but this Brother,' indicating me, 'are to remain here in the Palace of Light for one year.'"

So it was very apparent, even under the Government's reading, that Mr. Ballard, under their theory, wasn't to remain there, as Mr. Neukom endeavored to leave the impression by not reading the entire story to you.

Your Honor, I was going to start off on something else.

The Court: Gentlemen of the jury, we will take our usual morning recess of 10 minutes.

You will remember the admonition I have heretofore given you.

(At this point a short recess was taken, after which proceedings were resumed, as follows:)

The Court: Stipulate the jury are present, gentlemen?

Mr. Cannon: So stipulated.

Mr. Neukom: So stipulated.

The Court: Stipulate the defendants are in court?

Mr. Cannon: So stipulated.

Mr. Neukom: So stipulated.

The Court: Proceed, Mr. Gilbert.

Mr. Gilbert: Gentlemen, the record doesn't have much in it as to what occurred between the period of 1930 that we have just been talking about, and 1934, except that Mrs. Bliss was attending classes that Mrs. Ballard was having in her home and which we will come to with Mrs. Bliss' testimony.

Now, Mr. Harry Sieber and the gentleman who had to do with the [865] so-called business end of the activity are the ones that I will discuss first. Mr. Harry Sieber, you will recall, came on the scene in 1934, and was with the activity in October, November, December and part of January 1935. The occasion of Mr. Sieber's trip to Chicago to see Mr. Ballard is, I think, very important and revealing. He stated that prior to that trip he had read the "Unveiled Mysteries." Up to that time he had not contacted or had not seen or talked to the Ballards.

You will recall that a number of Government witnesses testified. One I recall offhand is Mrs. Schall, who testified that she had read the "Unveiled Mysteries" and "The Magic Presence," which she read in the Congressional Library in Washington before she attended any of the classes or contacted the Ballards. Many of the defendant witnesses were asked what their first contact with the activity was and many of them replied their first contact was the reading of the books.

Mr. Sieber testified that he had read the "Unveiled Mysteries" and upon that reading thought that the book contained things that the people

ought to have and that he wanted to help in getting it before the people. Well, now, surely, if just reading the book before he contacted the Ballards in any way at all, he couldn't have been under their control or under their domination or, as Mr. Lazarus describes it, hypnotized by them. This book "Unveiled Mysteries" and "The Magic Presence" was read before they contacted the Ballards. The books appealed to these people upon their own merit and not by reason of any persuasion or any hypnotism or any dominion or control that any of these defendants had.

Mr. Sieber came back and attended with nine other people a class that the Ballards were holding, and out of that meeting, as he testified, the groups started. Up to that time there had been no grpups in the sense that we came to know them later on. There had only been the meetings that Mrs. Bliss had attended and which [866] you will recall Mrs. Bliss said the people had to be invited and passed upon. On that particular point, in covering the period there from 1930 to 1934, we again find a little revealing bit of testimony that there was still no scheme and still no evil intent in the minds of these parties, for surely anybody who has a scheme or evil intent in his mind to take money away from people doesn't insist on people staying away. He doesn't insist that they shall be passed upon and only those should be admitted who are invited to come to the classes.

After Mr. Sieber attended that class he later came back again with his son, and after that sent his wife to listen to the Ballards, and then offered his help. Now, these things are occurring some time around in July of 1934. He testified that it was several months before the matter of selling books was even discussed between himself and Mr. Ballard, and that Mr. Sieber was the one who suggested that these people ought to go out to other cities and give the people the benefit of these teachings because, as Mr. Sieber said, he thought that it was something that humanity ought to have.

He then returned to his home and the correspondence to which I will direct your attention in part in a minute passed between him and Mr. Ballard. Mr. Sieber testified that it was he who suggested the manner of taking up the love gifts. That came on later. I know he also testified otherwise, but on page 356 and on page 377 of the transcript he testified that he suggested the taking up of the love gifts and the method of receiving the love gifts.

When Mr. Sieber started to take charge of the selling of the books and the management of going from city to city, he asked the Ballards for a list of their students and they didn't have one. Isn't that an indication again that there was no evil intent, no scheme in their minds? Isn't it usual and ordinary that people [867] who are setting out with a scheme to defraud people to keep a list of those that they feel they can prey upon? But no

such list in this case appeared and Mr. Sieber was the only one who ever had a list. That wasn't really a list. He sent some envelopes to Mr. Curtis to be addressed and testified that outside of that occasion there were never any lists while he was with the activity and none kept later, never any lists kept of the students.

Now, in Government's Exhibit 70, which was the letter of September 27, 1934, from Mr. Ballard to Mr. Sieber in response to a letter that he had written them asking certain questions, Mr. Ballard said:

> "I deem it imperative to keep the activity that has started here continuing, and you can relieve us of all the details of the distributing through your channel. It would help us and simplify matters for all."

Now, if this were a book selling scheme, as the Government tells you it was, does it seem reasonable to suppose that they are going to turn the most important part of their scheme, if it was a scheme, over to somebody else, someone who is a comparative stranger? This letter was written in September of 1934. They had never known Mr. Sieber before. The first contact with him was in July. If there was a scheme in their minds, do you think they would turn the most important part of their scheme over to somebody they didn't even know?

In that same letter Mr. Ballard says:

> "You should have access to the letters and comments in our files, and our files here are

full of them and you are welcome to know all that has occurred."

Does a man who has an evil intent or scheme to defraud people offer to turn his whole files over to a stranger to let them go [868] through the files? Why, of course, no such thing ever occurred to anybody who had any such intent.

Mr. Sieber testified that he kept as careful a count of the receipts and he made a record of it, and some of those records have been here in court. Is that the activity of people who are involved in a scheme to defraud? You gentlemen know that people who are involved in a scheme do exactly the opposite. They don't keep their records, or if they keep them, they try to mix them up.

We will show later—I will direct your attention to a very minute thing that hasn't much importance except to show that they did keep records of the most minute details, a simple record only for permission of Donald Ballard to drive the automobiles of the Saint Germain Foundation. Even such small things as that, a clear and complete and accurate record was made for the Government and I think they have seen it. When Mr. Lazarus was questioning Mr. Donald Ballard about his cars, I think that is where Mr. Lazarus got the notion, because a record of the minutest detail was made by these people, of all of their activities, and their conduct, and that is not the way people who have a scheme

in mind conduct their affairs and keep their books.

In Exhibit 78, which is a letter that was written on February 12, 1935, Mr. Ballard wrote to Mr. Sieber that Mrs. Ballard was having a throat disturbance. I mentioned that at this time to tie it in a little later, to point out to you that at no time, even publicly, have these people claimed they were perfect beings or that they were not subject to these ailments.

Mr. Wilbur Curtis Smith from Florida testified that he saw Mrs. Ballard taking cough drops right out in front of the audience. No endeavor was made whatsoever to hide or conceal the fact.

Now, Mr. Sieber testified that while he was with the work he thought it was a good proposition for humanity and believed it would help people. Now, Mr. Sieber had been the president of a [869] trust company. His business was that of an accountant. I think you must assume that during the time he contacted the Ballards—we know he read the "Unveiled Mysteries"; he said so—but you must assume that he was familiar with the teachings. He attended the classes. Mr. Sieber in that position in life and with his experience and his knowledge of the affairs of life found those things that he was taught to be believable and sincerely so.

Max Gysi next took over. That was when Mr. Sieber was injured. Mr. Max Gysi was with the activity from 1935 to November of 1935, had met the Ballards in the Boston class in November of 1934. You will recall he testified *that he testified*

that he attended the Boston class and the New York classes and was down in the class in Washington, D. C., when Mr. and Mrs. Ballard, by reason of Mr. Sieber's accident, asked Mr. Gysi if he would help them out, and he immediately said that he would. Now, Mr. Gysi had attended the classes and Mr. Gysi was undoubtedly familiar with what they were teaching. He was undoubtedly familiar with their beliefs and what they though. He was familiar with their personalities and their sincerity and their good faith. Mr. Gysi had been a banker all his life, all over the world in different places, in London, Switzerland, and around in Europe and the United States. Mr. Gysi testified that when they went down to Florida he had a conversation with Mrs. Ballard in which he directed her attention to the fact that they had received pre-subscriptions for "The Magic Presence" and that he impressed upon here that they were honor-bound to produce it.

Now if Mr. Gysi had that conversation with Mrs. Ballard in which he sought to impress her that they were honor bound to produce "The Magic Presence," she must in some wise have been hesitant about it or have expressed some doubt about the production of "The Magic Presence"; otherwise Mr. Gysi would not have had to convince her that it ought to be done in all honor; and if this was [870] a book selling scheme, doesn't it seem that there should have been no doubt or hesitancy on the part of anybody to produce the books. Yet

we have it here from Mr. Gysi himself that there obviously must have been such a doubt or he wouldn't have mentioned to Mrs. Ballard that she was honor bound to produce it, and which she then said she would get it out as soon as possible.

Mr. Gysi testified that he was the one who suggested how the words the Mighty I Am Presence should be printed.

Now bear in mind that Mr. Gysi didn't come into this activity until January of 1935. That testimony was elicted by the Government in an endeavor to lay a foundation, I think that the phrase "The Mighty I Am Presence" was not even a thought of the Ballards, but it was merely something that had been suggested to them by somebody else. Yet in the Killen letters—they are known by that name; I have forgotten the exhibit number—the Killen letters that were written in 1933, in about three occasions in those letters that identical phrasing is used just exactly as it is found in the books.

Mr. Gysi testified that he arranged for the ports of call as set out in "The Magic Presence". That testimony was elicited, I assume, on the theory that this was a physical trip, which we have seen that it didn't even purport to be.

But even so, Mr. Gysi testified that the ports of call that he arranged were those that must, of necessity, have been visited in a certain order, and even if it be a physical trip, the book specifies clear that it was taken in a private yacht. Gentlemen, a trip on a private yacht, the person in charge of

that boat isn't required to go to any port. They can go to any port they want to.

Of course, Mr. Gysi, I think, should be excused in his testimony in that regard. He hadn't read the books. He testified that he had read about 111 pages of the "Unveiled Mysteries" manuscript and that he hadn't read "The Magic Presence" at all [871] until a little while before he testified, and then he only read a few pages of it.

But even so he recounted a conversation in which he pointed out to the Ballards that the pillars of this subterranean palace were projecting 70 feet above the ground. He testified to that without regard and without any information as just to how far down was the foundation, whether they had gone downward into the subterranean palace—without any regard to the pitch of the road they were going down, or how long they had gone down, or the speed downward at which they had travelled—and thus without knowing the starting point and the bottom he was able to tell, he claims, how high above the ground certain pillars protruded.

But Mr. Gysi testified that from the beginning he believed in the Ballards' sincerity and that he told various students that he had, while on tour, seen corroborative evidence and experienced the corroborative truth of the I Am teachings.

Now Mr. Gysi with his experience, with his power of analysis, with his association with the Ballards, must have become fairly well acquainted

with them. He must, in his daily contacts with them, had sufficient basis upon which to form an opinion as to their sincerity, as to their beliefs, and he not only testified from the witness stand as to his own beliefs in it, but he testified that he went about and told the different students that he not only had seen the corroborative evidence but that he had experienced it himself.

Mr. Harry Rogers was the next that had to do with that end of the acivity, and he had met the Ballards in April or May of 1935. He became their announcer and performed in that capacity until about July of 1939. Mr. Rogers testified with reference to certain telegrams that were received in San Francisco, and that he had called those to Mrs. Ballard's attention and she told him to do the usual thing. [872]

Now the Government apparently brought that testimony out in an endeavor to indicate that this was something that *this was something that* the Ballards didn't do themselves, but you will recall the testimony of Mrs. Ballard that she had performed these things every morning, and that also Mr. Crouse testified to the letters that would come in telling the Ballards that they had received—the sender of the letter had received the benefits requested in a previous letter before a reply had even been received.

This function was the function that all of the members of the staff, or at least part of them, were supposed to perform, that when these requests

came in as Mr. Rogers said he did, that they were to go to their rooms, as Mr. Grouse later testified he did, and to call on their own I Am Presence and to the presence of those who requested the help, so that it wasn't only the Ballards who were assisting in granting these requests, but it was the members of the staff as well.

Mrs. Meyer, incidentally, who said that she was present at that conversation, disagreed a little bit with Mr. Rogers. She testified that Mrs. Ballard had told him to say the usual thing. Mr. Rogers testified that he was told to do the usual thing, and that when told that he returned to his room and called to God to project the healing ray.

Mr. Rogers was paid no salary, but he did receive his love gifts and his expenses. And while he was with the activity from the latter part of 1936 until in 1939, and with his close contact with these people and his ability and his opportunity to observe exactly what was going on, Mr. Rogers testified that the money realized was devoted to the continuation of the movement. That is the observation of a man who, as Mr. Lazarus described it, was on the inside.

Now Mr. Rogers also identified the so-called Shippey letter. That letter is Exhibit H, and it was a letter that Mr. Rogers used, [873] as he said, in the announcement.

I would like to read it to you in its entirety. It is a letter written to The Times, to Mr. Lee Shippey of The Times, by somebody who had gone out to these classes and had written to Mr. Shippey

of his reaction to it. The letter is dated November 25, 1938.

"Mr. Lee Shippey
"The Times
"Los Angeles, California.

"Dear Sir:

"When men and women fill the Shrine Auditorium twice daily for ten days, as they did during the period from December 23rd to January 2nd, to listen to a man and woman expound a Law of Life,

"When the desire for seats is so great that the huge auditorium seating some 7,000 people is practically filled an hour before the lectures start,

"When this experience is duplicated in major cities throughout the United States as it has been in San Francisco, Seattle, Cleveland, Detroit, New York, Boston, Washington, D. C., and other cities,

"When nearly three hundred thousand people throughout our land are followers of this teaching which is affecting their lives and that of the nation,

"When these audiences are made up of people who are intelligent, dignified, happy, well-groomed, well-dressed, well-mannered, and from all walks of life,

"When this activity is carried on with no advertising, no publicity, no ballyhoo, no dramatics, no spectacular bids for attention, [874]

"When no money is colicited, no schemes are promoted, no politics indulged in, and no propaganda is offered against any individuals, creeds, sects or political parties,

"When this activity is ever-expanding and self-sustaining, yet has no organization, no by-laws, no membership, no dues, no committees, and no officers,

"When thousands in Los Angeles and vicinity gather together every week to study and practice its teachings,

"Then it is time that our city and the country and the world knew more about it.

"I have attended the meetings and found the general atmosphere one of happiness, prosperity, kindliness and reverence.

"The talks and activities engaged in are of a nature that commands the utmost respect whether one conforms or not.

"The ideals stood for, the ideas put forth, and the teachings of the speakers are based on a code of such high standing that they cannot be challenged by anhone on the grounds of morals, ethics or patriotism. In fact, I have never heard precepts of such integrity and demands for such personal purity advanced by any other group.

"Quiet, profuond, dignified, sincere determination characterizes the whole proceedings, and it is a movement to be definitely reckoned with in the future of our land.

"To you whose column has ever stood for all that is fine and who have always shown interest [875] in activities that are an influence on the public life of our city *ammd* nation, and yet outside the routine news channels, I call attention to this movement.

"This is no effort on my part to convince, convert or proselyte. I am simply saying to you, 'Here is something going on in our world that is an increasingly important activity for its betterment. Watch it! Learn about it! And contact its leaders, Mr. and Mrs. G. W. Ballard, who are two of the most astounding personalities of our day.

"They are at present holding a ten day class at the Scottish Rite Cathedral in San Francisco from January 23rd to February 6th.

"The 'Times' Sunday Magazine on May 22, 1932, had an article about a mysterious people who live near Mt. Shasta. Mr. Ballard's experiences as related in his book "Unveiled Mysteries" (pen name Godfrey Ray King), also had their inception at that point.

"If this is interesting to you and you care to look into its further, you will find much to ward your time."

Now, the gentleman that wrote that letter referred to an article that had been in The Times in May 22, 1932, concerning the mysterious people living at Mount Shasta.

Now, in 1932, as we have seen, the manuscript of the "Unveiled Mysteries" had already been written and that time Mr. Ballard was back in Chicago, yet even in The Los Angeles Times we find articles about the mysterious people who are living at Mount Shasta.

These things are all given to you with the idea and the fundamental purpose that I am driving at, to try and demonstrate [876] that these things are believable by all people.

Mr. Rogers wrote some other letters, which I feel should be called to your attention. They are letters that were written by him after he had left the activity, but reveal what his attitude was, and I think they are particularly important because of the length of time Mr. Rogers was with the activity and the opportunities that he had of observing and seeing exactly what was going on.

Mr. Rogers wrote in the letter of December 21, 1939, in part—this was a letter addressed to the Ballards, and I am only reading part of it:

> "It has been my happiness to render a service on various occasions to the light since my termination. It has spread everywhere that even though Harry was dismissed he is just as loyal as always and does all he can to hold all the students in line, and to remain loyal to St. Germain, to you and this Great Light."

Skipping a bit:

> "Needless to say I would like to have a few

minutes with you while you are in Los Angeles."

He wrote again, in a letter of January 10, 1940, and at that time he had been out of the activity for some time, and in the letter at that time he said:

"Yes, dear one, I am still loyal to St. Germain, and the Messengers and the Light.'

Skipping some:

"How happy it makes me to know you are so loyal to St. Germain and the beloved Messengers. Keep it up. You bet your boots I am teaching the kiddies about the 'Presence' and you should see my little Celeste (age 6) and I in our morning [877] contemplation."

Now, gentlemen, Mr. Rogers, with his familiarity with this activity, with the understanding that he had of it, with his knowledge of these people, would most certainly not be taking his own children into the contemplation with him and bringing them up into the belief of this activity if he had obtained the slightest notion that at any time in his contact with this activity these people were just frauds and deceivers and didn't believe the things which they taught and the things that they preached, and if he didn't believe that they were sincere, proper and valid beliefs for his children to hold as a guide to their activities.

He again wrote on February 6, 1940—and this is a copy of the letter he gave the Ballards of letters that he sent to the students that wrote to him.

He said:

"Hundred pleaded with me to start a class of my own. I rejected every plea and made it very plain that I had no such intention and would remain just as loyal to this light, to Saint Germain and you blessed ones as theretofore. I pleaded with all the students to do the same and still do. I pleaded with them to go at once to Ratana's Temple, the Sindelar's, Frank Lannings' or wherever they felt most at home, and to lose no time in doing it, and still do."

* * *

"Several times each day I call to be shown by my own 'Presence' exactly what I should do to help straighten out any unfinished affairs that concern the activity in any manner whatsoever. I know that I will be shown—and it will be done." [878]

Skipping a bit, he says:

"Many letters have come to me and still do from all over the nation, and outside nations, asking me what they should do, etc. My answer has always been to stand loyal and faithful to this light, Saint Germain, and to you Daddy and Don, and to not let anything swerve them for the fraction of a moment. Such letters still keep coming."

Mr. Rogers indicates that this activity not only has spread all over the nation but it is likewise outside. The Ballards had not left the country, but the

activity had spread out of the country, and that again indicates that the teachings were going into other nations, into other countries, and were being accepted by the people there upon their own merit and nothing else, and not by reason of any influence or any domination or control of the Ballards personally, as contended for by the Government.

Mr. Rogers testified—and this, I think, is very significant—he testified that he had never heard the Ballards claim that they had the power to heal people as such, that everyone had to make the call to their own I Am Presence and to project the healing rays.

That is in direct conflict with the contentions that the other witnesses have made in this activity. Mr. Rogers was with them longer than anyone else except Mrs. Bliss, but he testified that he never heard them make the statement that they themselves could heal, but that only the call to the I Am Presence could do it.

He testified, and his letters clearly indicate, that at all times he also was very sincere in this activity and he believed it.

Your Honor, I am about to start with another witness, if you desire to take the recess.

The Court: Gentlemen of the jury, you will remember the admonition I have heretofore given you.

[879]

We will take our usual recess until 2:00 o'clock.

(Thereupon, at 12:05 o'clock p. m. a recess was taken until 2:00 o'clock p. m. of the same date.)

Los Angeles, California

Wednesday, January 28, 1942. 2:00 o'clock P. M.

The Court: Stipulate the jury are present, gentlemen?

Mr. Cannon: So stipulated.

Mr. Lazarus: So stipulated.

The Court: That the defendants are in court?

Mr. Neukom: So stipulated.

Mr. Peterson: So stipulated.

Mr. Gilbert: Shall I proceed, your Honor?

The Court: Yes.

Argument in Behalf of the Defandants (Cont'd)

Mr. Gilbert: Gentlemen, the next witness whose testimony I desire to discuss is Pat Crouse.

Pat Crouse came with the activity in July of 1936 and stayed until March of 1940, and during that time, you will recall, he served as Mr. Ballard's confidential secretary.

He related that during the period of time he talked about the form letters. Those were introduced in evidence as Government's Exhibits 136 and 137, as I recall them. Those letters—and, again, may I direct to your attention the fact that many times letters were received from the sender stating that they had had the benefit [880] that had been requested before an answer to their letter had been

given—and I desire to stress that, to point out that there never has been any claim or any representation that the letters that the Ballards sent had any healing qualities. It wasn't the letters that they sent, and whether they were sent because of the number letters that they got under form letters as a matter of routine or not, there was never any representation made concerning the replies that were made to letters that came in.

The Government asked yesterday, why the defendants did not produce witnesses and letters concerning the subject of healing. That evidence is in, not only from the witnesses who testified on behalf of the defendant, but the evidence of letters themselves is in the record and it came from the mouth of the Government's own witness, Mr. Crouse, who testified that he had talked with many people who said that they were healed as a result of this activity, and he testified that he had read letters from people who had said that they had been cured of conditions that were otherwise throught to be incurable.

He related an incident of x-rays having been taken and which revealed ankylosis and that subsequent x-rays taken two days later showed that that condition had disappeared. Mr. Crouse volunteered his opinion that the first x-ray was blurred, but I suggest that that could be disregarded. I don't think Mr. Crouse knows any more about reading x-rays than I do, which is nothing, and undoubtedly, if there had been any intimation that the first

x-ray had been blurred, that the doctors who took them and interpreted them would have said so, and that Mr. Crouse, in his desire hastily to volunteer something that would detract from the benefit, that that fact, on the part of the defendants, would have stated the doctors had said so. There is no such evidence in the case. And Mr. Crouse gave, as one axample of the healings that he had seen, the actual x-ray pictures that had been taken of that [881] condition.

You will also recall the testimony of Mrs. Lovette, who recited the ailments of which she had received a cure. It is true that Mr. Neukom suggseted, by a question that he asked, that her condition was mental, but what difference would it make whether your condition was a mental one or a physical one? It was just as real to her in either case, and she was cured.

The evidence is replete with testimony from the people that they had received these benefits in that regard as to healing and in other regards, and as we know that healing to those people isn't limited to the medical use of the word. It includes many other things, as was brought out at different times, spiritual and physical things, and not purely healing a wound or a cut or a disease, but includes many, many other things besides those.

Now, we have here in Mr. Crouse's testimony some further corroborative evidence as to what the people believed in "Unveiled Mysteries" and the manner in which those experiences took place. The

Government introduced in evidence the so-called Woodward letter as their Exhibit 105, and in it is related the whereabouts, the physical whereabouts, of Mr. Ballard during certain periods of time. That letter was witnessed by both Mr. Crouse and Harry Rogers.

It recites that he, in 1929, had come out West; it recites that he had been in California in 1930, that he had gone back near Chicago in the latter part of '31, and had moved to Chicago in, I think, May of 1932. That letter was concerning a discussion that had been had in the presence of Mr. Rogers and Mr. Crouse, and both of whom witnessed it. They were told, and there is further corroborative testimony to that effect, they were being told all the time and they knew where Mr. Ballard was, where he said he was, where he stated he was, where he claimed to be physically.

Mr. Crouse stated that he talked to the Ballards of the things that had been manifested to them and that he believed them. [882] He was intimately associated with them over a long period of time, and he testified that even after the he left activity he still believed it. He would have certainly had an opportunity, if anybody would have had, to observe and to know that this was a scheme and an evil intent, but he stated that he stayed with it for three and a half years and not at all during that time apparently did it occur to him that there was anything that he knew, his intimation, association with these

people, that they at any time had any evil intent or were conducting a fraud.

He identified, and there were introduced in evidence, certain letters showing the income that had been received, but he testified that those sheets didn't purport even to indicate the expenses to which these people had been put; didn't show a net return at all and, as Mr. Peterson brought out this morning, the Government has those figures. The testimony of Mr. Callahan shows that the figures on these things were obtained from the beginning of the publication of these books and that those were turned over for an F. B. I. audit, which I think we will all agree and in all probability is a very thorough audit. They have the exact figures in these things.

The Government, as you will notice, produced the income tax of Mr. Stickell. They have the testimony of these exact things, and we didn't do it, we still stand pat upon the proposition that if the Government wants to prove a lawsuit in a criminal case, it is up to them to do it.

Mr. Crouse testified that in many of the classes the average love gift was not quite as low as 8 cents, but in some they were, and in many instances the expenses were not even met. He testified that he had never heard any claim made that Saint Germain had typed these letters.

We next refer to Margaret Schall. She is the first of the student witnesses. She contacted the activity, as we have [883] mentioned, through the reading of

"Unveiled Mysteries" and "The Magic Presence" prior to the time that she even heard of the Ballards, or prior to the time she heard them at classes. She was interested, she said, in seeking to find some means to restore the eyesight to Senator Schall, that they had tried other things, that they had tried Christian Science and that that had not worked; that about a month after she contacted the activity Senator Schall was in an accident which resulted fatally.

She testified she was in the activity, I believe, over a year. She testified that she believed the teachings with increasing belief as she came to understand them.

She stated that the Ballards frequently—and she corroborates the other statements—she heard the Ballards frequently say that they would get a letter stating that a healing had been accomplished before the Ballards' letter was sent.

Now, Mrs. Schall attended a number of classes, she testified, and that she came out to California to the Los Angeles Shrine class in 1936. A lot of the witnesses, and I believe Mrs. Bliss particularly, testified that it was in the Shrine class of 1936 that Mrs. Ballard said, Mr. or Mrs. Ballard said, that a cataclysm was going to occur on either September 15th or 16th of that year. Mrs. Schall testified that there was no fixed date for a cataclysm. Mrs. Ballard said that Saint Germain himself didn't know when it was coming, and that nothing was said as to its form.

She testified that she was taught that the Mighty I Am Presence was the channel through which healing, precipitation and ascension were to come.

Mrs. Schall, I am sure, impressed all of us as being an intelligent, reasonable and analytical person. She knew and understood these teachings, and if they were subject to belief by her, what is there about it that they are not subject to belief by us? [884]

Virginia Meyer, you will recall, had the book store in San Francisco. She was contacted in the spring of 1935, I believe, by Max Gysi. She remained with the activity until 1937 and assisted from time to time in arranging the classes in San Francisco.

She contacted the "Unveiled Mysteries" through a metaphysical magazine called "The Inner Life," and testified that the publisher of "The Inner Life" had spoken highly of the principles of the I Am teachings.

She stated that in 1936 Mrs. Ballard gave her a list of over 30 books other than the Saint Germain series suitable for reading. Remember, we are discussing one of the things that the Government has never fixed, and that is an approximate time when this scheme was supposed to have been born. We are talking now in 1936. Is this a book-selling scheme when they are telling people to put in other books, not ours, to sell and inform our students to study them?

She stated that during that conversation Mrs. Ballard at that time had said that she, Mrs. Bal-

lard, knew nothing of the Bible. We will discuss that a little bit later when we get to Mr. Casterline's letter, in which he speaks of having caught Mrs. Ballard in making a few errors in her quotations of the Bible. But Mrs. Meyer testified that she, Mrs. Meyer, was sincere and wanted to help, and she gave as proof of her sincerity in the belief in this activity and its teachings the fact that while the Ballard classes were being held in San Francisco she herself would sell no books, and yet she was conducting the book store. That is the faith and the sincerity that Mrs. Meyer had in this activity.

Muriel Bliss, who was the first, as far as any of the witnesses in this case are concerned, goes back farther than any others. She testified that she had met Mrs. Ballard in 1930, and that she had attended the classes that were being held in Mrs. [885] Ballard's home on metaphysical subjects; that during that time as it progressed that Mrs. Ballard would read portions from theosophical books such as "The Fire of Creation," and "The Lives and Teachings of the Masters of the Far East," and others. Now, Mrs. Bliss testified that she met Mr. Ballard in 1932. She recalled it as being probably some time in September of that year, She fixed the picnic that they went on, and that she saw him at least once a week up to 1934. Now "The Magic Presence," the trip that is described in "The Magic Presence" relates to those years. Now, if Mrs. Bliss saw Mr. Ballard in Chicago in his physical body at least once a week from 1932 to 1934, she most obviously

knew that he wasn't in Arabia, didn't she? She testified that she believed the teachings of these books. What did she believe? She didn't believe that there was a representation in this book that he had had those experiences in his physical body. She believed exactly what was told her and exactly what is represented in the books that those experiences were the experiences as Mrs. Ballard described them as having taken place on the inner plane. She testified as corroborative of that that she hadn't missed a single class up until the time she left in 1934. She said at the classes that were being held in the Ballard home in Chicago people had to be passed upon and invited. The letter that appoints her as a messenger, you will recall, tells her to follow her inner promptings and she is not to feel compelled to do anything because of being a messenger.

Mrs. Bliss was one of the persons who testified that she thought that ascension meant levitation of the entire physical body, including the clothing, and said she was taught by the Ballards of Jesus' ascension which occurred without death.

She testified—and she was connected with this activity until 1939—that the classes, her classes, the things that she had to do with her classes and her groups and reading rooms were [886] entirely independent of the Ballards. The note here shows it was Mrs. Bliss who testified that at the Ballard class in the Shrine Auditorium in 1936 it was stated that the cataclysm would occur on September 15th

or 16th, 1936, and which, as we have just seen, Mrs. Schall heard no such thing.

Now, as to Mrs. Bliss' sincerity and belief in this activity, I would like to read to you, and feel that I should read to you, a portion of some of the letters that she wrote. Exhibit L was read which was the letter of January 4, 1935. Mrs. Bliss had just finished testifying that she did not understand precipitation to be anything except she was the one that said "You look up and see the particles and imagine what you want and it comes and sets down in front of you"; that she hadn't mentioned precipitation of an automobile, and Mr. Cannon read to her a letter in which she refers to an automobile in the case and calls it "a precipitated, lovely gift, and it is much more than an automobile because of that."

She states in the same letter that she had received eight dollars—let me go back.

She states, "I am very enthusiastic about establishing here a Saint Germain lending library for the students. I was wondering about it, desiring and working for it when along came an eight dollar gift bond on Brentano's as a Christmas present from Mr. Stickell's class. Maybe that wasn't precipitation."

She understood that precipitation was the same thing that they were taught, just like the rest of the students testified they were, as is in the books and as read to you from "The Voice" magazine, that these people were taught and believed that

precipitation means an answer to their decrees which comes through natural channels.

It was pointed out by Dr. Haldey, I think it was, that you must always discriminate as to whether you are talking about precipitation by an ascended or un-ascended being and keep that distinction well in mind. The letter goes on: [887]

> "Maybe that wasn't precipitation. I said to it, 'Little piece of paper, you are the cornerstone of Saint Germain's library.' So I ordered the Spalding books and 'The Dweller on Two Planets.' Every student must have your books so later I may get them."

May I repeat, "later I may get them." This is Mrs. Bliss, the person who had known the Ballards since 1930 and she is writing to the Ballards and that maybe she will get their books. If this were a book selling scheme, don't you think the person that they had known since 1930 who was carrying on a portion of their activity with them, that some effort of some sort would have been made to sell her the books? Yet Mrs. Bliss expresses the attitude that she had, "Maybe I will get yours too."

Mrs. Bliss at one point in her testimony endeavored to corroborate Max Gysi about the phrasing of the phrase "Magic I Am Presence" and she testified that she didn't recall hearing of it until about 1934 or '35. At that time there was read in not only the Killen letters but letters addressed to her in which the same phrase "The Magic I Am

Presence" itself was used. She testified that she hadn't heard of it earlier in an endeavor, I assume, to corroborate Mr. Gysi, who in turn had endeavored to make the point that this phrase was just something that has been given by somebody else.

Mrs. Bliss testified that Mrs. Ballard quoted the Bible during lectures, again in refutation of the other witnesses that they didn't, and in refutation, I think, of the statement—I don't know what it was thrown in for, but it was put into evidence—what Mrs. Ballard's opinion of the Bible was.

She testified that healing is supposed to come from the individualized presence. Then there is Exhibit O—and remember that Mrs. Bliss had been in contact with these people for a good [888] many years when these letters were being written—that is a letter of March 7, 1935:

> "The Presence is governing here and we stand firm in the light issuing the decree, the force of darkness shall not pass" and so on.

Skipping a little bit:

> "A lady Mrs. Cashman—" that is in another letter that I want to refer to here.

Here is the portion I want to read, the important thing in this letter:

> "Mr. Stickell is still with me in both classes. He is precious, loyal, and sincere."

Mrs. Bliss, who had been associating with him in Chicago—you remember she told you how they each had their separate classes and they split them up and took charge of them from time to time—she is writing after an association of years with Mr. Stickell that "he is precious, loyal, and sincere." She relates in this letter an experience that she believed that she had had at night with Mrs. Ballard.

> "I was with you in sleep of merely dreaming last night. You" (referring to Mrs. Ballard) "seemed mentally occupied with something that seemed to be troubling you. In any event, a whole deluge of light I am releasing to you in case it may help in some way, and we know it really does."

Mrs. Bliss referred in that letter to Mrs. Cashman. Near the end of the letter she calls her "Mrs. C."

> "Mrs. C. always sees and hears things not seen by everyone, as does her husband. She said one of these voices told her I could [889] help her. Well, God grant it."

She referred in that same letter—you will recall Mr. Lazarus has taken some time to point out to you about Mr. Cassiere's and Mr. Stickell's quoting from the Bible as they explained the chart.

Mrs. Bliss' attention was called to the description of God in Ezekiel and asked whether or not that

was the one that Mr. Stickell used when he described the chart—you remember his describing it here in the courtroom—and Mrs. Bliss was asked whether or not she had ever heard Mr. Stickell use that description in his classes. It is set out here, which I won't read, the portions from the Bible, and she said, "I heard it from Mr. Stickell." and he said that a Bible student had called it to his attention. But she corroborates Mr. Stickell in his statement and in his recitation of the explanation that he did use that explanation from the Bible in his lectures, whether it is included in the books or the magazines or not.

She also testified that Mr. Cassiere referred to the Bible in his classes and that he did not criticize the Bible. She further testified that precipitation means through any channel.

Mrs. Bliss during all that period of nine years had something of an intimate association with the Ballards and she also expresses her sincere and her complete belief and devotion to the teachings in this activity.

There is Mrs. Virginia La Ferrera who was with the activity from May 1935 until 1939. She met the Ballards in San Francisco and had been asked by Mrs. Meyer to play at a class, and eventually she became a member of the staff.

Now, Mrs. La Ferrera testified that in 1937 when Mr. Ballard was ill at Cheyenne, Wyoming, he was unable to go forward. This has to do with the Government's contention that we claimed that we

weren't ever supposed to have an illness or ever take any remedies for them. When she was testifying that Mr. Ballard felt [890] like that, she said in her testimony, "I suggested that he take an Alka-Seltzer." Now, gentlemen, if she was under the impression that Mr. or Mrs. Ballard didn't use those things, why would she ask him if he wanted it? The reason is perfectly obvious. There never had been any claim. She wasn't under the impression that these people didn't use those things if they thought it was necessary. Just as they say in "The Voice" magazine, "If you feel it is necessary to have a physician or doctor, do it."

She testified that she had confidence in the I Am activity from the time she joined it until she left. She, incidentally, was a very good friend of Mrs. Bliss and left about the same time Mrs. Bliss did. She testified that she had been present in the staff meetings and that during the staff meeting, which was not a public affair at all—it was limited to the intimate associates of the Ballards—that during the proceedings in the staff meetings, that she felt a reverential attitude and that could be nothing more or less than a sincere attitude as to those private meetings they held in their own apartment.

There was Maude Hill who started in 1934 and also left in 1939 at the time Mrs. Bliss did. She had met the Ballards in Florida through a Mrs. Pettit. She had heard Mr. Stickell say that he had given up a good law practice to carry forth the light. Now, Mrs. Maude Hill had obtained and read these books

before she heard the Ballards and she got the "Unveiled Mysteries" and "The Magic Presence" from her daughter Alice, and testified that she had had manifestations of her own.

Now, Mrs. Maude Hill also wrote some letters which exemplify and illustrate her feeling of sincerity in this activity and which are Exhibit O in the record.

She wrote to the Ballards. This was a letter in which she could not fix any date.

"My dearly beloved ones." [891]

I skip the first paragraph.

> "Do you know that sometimes I feel like pinching myself to find out if it is really true that so much can come my way. I know one should not condemn themselves, but sometimes I can hardly understand why I have been allowed such great blessings. I feel very humble and oh so grateful to you for your love and instruction."

Is that the evil that Mr. Lazarus is talking about that we do, as exemplified by Mrs. Hill's letter, her reaction to this teaching?

She continues on, after skipping:

> "I have another miracle to tell you. Remember at Ahwahnee I told you I could not understand why my anniversary gifts were taken, misplaced, or lost or something. You advised me not to release and to know they were not lost. Well, where do you suppose they appeared? I

awakened one morning last week with the conviction that I must go to my deposit box as soon as I could get there. I rummaged through it and in my large brown insurance envelope were reposing the diamond ring and platinum pendant and a valuable roselle medalian. They were not there Christmas. I surely got on my knees and thanked the Presence, Saint Germain and you right there in the vault and I accepted as it was shown me. How can one ever doubt?"

And she concludes:

"Lou"—Lou is her husband—"Lou joins me in sending you our heartful to overflowing [892] with love and gratitude."

She wrote again in Exhibit R, a letter of July 13, 1935, in which she stressed that the tremendous radiation which she was receiving from the activity, and concludes that letter with:

"Our daughter Alice's husband has a splendid position in Davenport, Iowa, and is well advanced since the powerful radiation you sent him. Can you believe that he was told last week that he is to be made vice-president of the Finance company he is working for? So another one of your powerful rays has borne fruit. Can you possibly understand my gratitude."

That exemplifies the attitude of Mrs. Hill and the feeling that these people had as to the things

that were being done for them, what they were taught, and the channel through which these things came in this activity.

Then there was the Gladys Kemp letter, and that was the one in which Mrs. Ballard stated to the students publicly that, "As you know, we don't give advice or tell others what they should do other than to call the law into action."

And Portia Terry. Mrs. Terry testified that she had received some healing decress and treatments, but the Government—and I think this is significant—didn't ask her whether or not she had been benefited. I think if there had been anything from this that she had not been benefited, they would have asked her and brought it out.

Now, I have just a little more reading from this witness—and this is the one letter that I referred to earlier as being what we thought one of the most important bits of evidence showing good faith—and that is the letter that Mrs. Ballard wrote to her son Donald, she thought, privately.

This is the letter that Mrs. Ballard wrote to Donald, and she [893] refers in that to "please make corrections before the group that you spoke of," and so on. This is the letter in which she is taking him to task, you will recall. And in that letter she says this:

> "Please make your peace with your Presence and Saint Germain before it is too late to remedy it in this embodiment."

Now, gentlemen, that is a private communication from the mother to her son. That is not anything for publication, that is not anything that people are trying to be roped in with; that is something written privately and secretly and to her son telling him to make his peace with the Presence and with Saint Germain, and if anything in the world could exemplify any better than that the good faith and sincere belief that Mrs. Ballard had in the Presence and in Saint Germain, when she wrote her own son to make his peace with them, then I don't know what could do it.

There are other letters, other exhibits, in the testimony, which shows what these people were doing. Exhibit 154 shows and recites that Mrs. Ballard had been working hard, so hard that she could drop in her tracks. That shows how these people were conducting this activity—working hard and sincerely to get it, before their students.

There is also Exhibit 155, that I referred to a while back in passing, where the permission from the Saint Germain Foundation for Donald to drive the car was made of record, where they wanted him to send it back so they could keep an exact and detailed record of every minute thing that they did, not to cover up at all, but as a complete record of all the little things.

Mrs. Terry testified that she also was very sincere in her devotion to this activity. She was in it for a long time. She must have understood it and analyzed it as a reasonable person.

And there is Helen Pinkerton, who had met the Ballards in [894] February of '35 and remained with them until October of 1937. She was taught that the precipitation only meant the things that they needed. She was taught that the acquiring of things depended upon the call for perfection to their own I Am Presence. That is what she was told.

Now, Mrs. Pinkerton was the one who testified that in Los Angeles she had had a conversation with Mrs. Ballard about Mrs. Pinkerton leaving her husband, and if she didn't her children would die one by one. And I want to direct this to your attention—it appears directly in the transcript—that Mrs. Pinkerton testified that she only talked to the Ballards twice, once in Florida and once in Toledo, and if she did have a conversation in Los Angeles, as she claims she did, the point of the Government that they are seeking to make is that these people were under the domination and control of the Ballards, but the evidence shows that she did go back, she didn't follow the advice or the warning or the command, or whatever the Government wants to call it, she didn't do what Mrs. Ballard told her to do, so what better evidence could there be that these people were not under the advice, domination or control of these people?

Now, the last reading that I think I have to do is in the letter that Mr. Casterline wrote to the Ballards—and that is two letters, Exhibits AA and

BB—and they were set out at the time that Mr. Casterline resigned from the activity.

Mr. Casterline, you will recall, testified that he had been a Bible student and had been with this activity for some time. He wrote, under date of May 28, 1937, stating that his group had decided to give up the activity and not follow the outline.

> "Our giving up connection with you doesn't necessarily mean that we are going to cease giving I Am instruction, it simply means that we are not going to give it after your methods. [895] This frees us to follow the leadings of our own Christ within and at the same time remove from you any embarrassment which might result from a dual teaching in the I Am as led by you."

Skipping a little bit:

> "As I have had a very thorough training in, not only Biblical literature, but also in Aramaic and Semitic literature, I know the meaning of the stem roots used in Aramaic, Hebrew, Greek and Latin versions of the Bible. So, when Bill began to rave about Jehovah as being from the astral world, I knew that he was ignorant because the stem root of the Hebrew word in Jehovah or Yahveh, means I Am while the verbal forms means 'He who begins to be and is.' During all the time I have known Bill I have caught him in about an hundred mistakes in Biblical quotations and interpretations."

Well, if he had caught him in a hundred mistakes in the quotations and interpretations, it must be obvious that Mr. Cassiere was referring to the Bible frequently in order to have been, even under Mr. Casterline's interpretation of the Bible, in error.

And then he continues:

"I have caught a few on you as well."

And then he wrote a subsequent letter, which is Exhibit BB, in which he explains a little bit what had just been said:

"Lest you might interpret my recent letter to mean that I believe that you and Mr. Ballards started out to deliberately deceive the religious public, I am adding this to my letter. I do not believe such to be the case. I am able to accept [896] the TEACHING in the first three books, but I do believe that in the last year in some way, unknown to yourselves, you have been used by those who would be the natural enemies of such a teaching. I cannot follow the outline, I cannot accept the discourses in the magazines, I cannot accept the EXPERIENCES, I cannot accept the long decrees, for Jesus said that a man wouldn't be heard for much speaking, but let a man's communication be, yea, yea and nay, nay.

"Under these circumstances I believed it to be far better to retire as a leader, than to enter into a controversy. Such a move would

set us both free, I to teach what I could accept, and, having no direct connection with you, naturally you could not be looked upon as responsible for what came out of our class. It was fair to you and fair to us. I am not your enemy nor an enemy of what you sincerely believe you should teach. I am just a son of the 'I Am' who wishes to well to you and wouldn't lift a finger publicly against you or your work. After all Gamiel's advice to the Jews as to what they ought to do about the new Christian faith, is as pertinent today as it was then, he said: 'Leave them alone, if it is *fo* God you can't stop it and you would be fighting against God, if it is not of God it will fall to the ground.'"

There is then the testimony of Mr. Ernest Ricord, Mr. Murray Stover and George Stevens and Catherine Rogers, all of whom testified as to their belief in the sincerity of this movement.

Mr. Ricord—just one or two things in particular about him—[897] was a minute man. He said that that was not exactly an organization, it was just a meeting where special instruction was given for the preservation of the system of government under which we live. He said he was devoted and sincere in his adherence to these principles and that he had never heard of the ascension being confined to any particular group.

Mr. Stevens was the Board of Equalization accountant, and you will recall that last year—and

this illustrates the point that Mr. Peterson made this morning—that the people who have testified for the Government are simply those who have come to choose a different belief, and Mr. Stevens exemplifies that from his testimony where it appears that last year he had testified that there was no conflict between the old and the new dispensation of the ascension, that last year he had felt that that was an unfoldment and that there was nothing inconsistent with it. This year he testified that it is inconsistent. It is simply a change of mind, a change in the method of wanting to believe. And that is all that has happened to the witnesses on behalf of the Government.

Catherine Rogers, one thing about her, she was the one who testified that she had heard the conversation in which Mr. Ballard said he didn't want another book to be brought out. It seems rather self-evident, gentlemen, that if this were a book-selling scheme you wouldn't want to suppress the books, you would want to bring them out, but their own witness testified that this was not a book-selling scheme.

Those witnesses—I haven't tried to cover them all; there will be some more mentions from others—but they all exemplify this one proposition which I have mentioned to you before, that these things are things which people, reasonable people, do believe, they are familiar with these things, they know about them, and if they are susceptible of belief

by those people, what is there about it that makes it insusceptible of sincere belief [898] by us?

Now, yesterday Mr. Lazarus covered about all of the subjects in the different groups. On different things he took considerable exception. One thing that he objected to was the decree books and the length of the decrees and the fact that they were sold.

On my way up here this morning I bought a little prayer book, and I reiterate again, when I mention any of these things I am not doing it for the purpose at all of comparing religions, I am only doing it for the purpose, as has been reiterated, of showing that these things are believed by millions, and that there can be nothing that makes it improper for us also sincerely to believe the same things.

We have under "Thanksgivings" a prayer for rain, a prayer for plenty, a prayer for fair weather; a prayer for peace and deliverance from our enemies; a prayer for a recovery from sickness. We have a prayer for healing.

And as to the length of the decrees which Mr. Lazarus objected to, I noted this, in the back of the book, they have the morning prayer and the evening prayer, and when you turn over the page they have the same thing in short form.

This prayer book—it is rather compressed in a small size—but it consists of over 500 prayers.

Mr. Lazarus yesterday said—I believe he was commenting on K-17 or on the decrees—he thanked God that we did not have to depend upon the

decrees for the preservation of this country, and I wondered at that time when he said "Thank God," just to whom he was addressing himself. When I got home last night one of the first things that struck me in the paper, January 27th of the Herald, on the second front page was a photograph of the church delegates in Los Angeles praying for peace and a better world. I wondered what is there that these good people shown in this photograph can pray for peace and a better world and believe it to be [899] efficacious, and we can decree for peace and a better world and not believe in the same way that they do in this efficacy.

These people shown in this photograph, as Mr. Peterson observed this morning, make their livelihood teaching these things. While they are out here they had to pay their transportation to get here. While they are here they have to have the money for their expenses. The Government, if it chose, could make the same kind of case against any one of those people that it has here. Where are you going to draw the line, gentlemen?

Now, I don't profess to have any knowledge about faith healing. I have an opinion on it, but I don't claim to know anything about it. I do know this: It was just about a year ago today when we were arguing the case and it was mentioned at that time that Lord Lothian, who was high in the British Embassy in Washington, D. C., passed away with a Christian Science practitioner at his side. Maybe he was right and maybe he was wrong. That is not

for us to say. The fact is he believed in it. I don't know anything about the hereafter. I have an opinion on it. I don't know anything about ascension. We all have opinions on that. But I do know that Sir Oliver Lodge, who was a world renowned physicist and scientist and who spent his life examining into the physical aspects of this universe, died in the belief that he could send a message back to this world from the other world. Whether he was right or whether he was wrong is beside the point. The fact is he believed it and he believed it sincerely.

So, gentlemen, I leave just this thought with you: Whether you believe these things or whether you don't, whether they sound real or unreal to you, is all beside the point. The only proposition to submit to you now, gentlemen, under the Court's instructions you cannot pass upon the verity of the existence of the ascended beings. Leaving that alone, what is there in this universe that says that these other people may believe their prayers, may believe [900] their religions, may believe in the after life? What is it that says they can be sincere and have good faith in their belief, and at the same time on the same subject say that we cannot?

Thank you. [901]

ARGUMENT IN BEHALF OF THE DEFENDANTS

(Continued)

Mr. Donnelly: May it please the Court, gentlemen of the prosecution, and gentlemen of the jury: Hate is indeed a terrible thing, isn't it?

> "When one allows his mind to dwell upon thoughts of hate, condemnation, lust, envy, jealousy, criticism, fear, doubt, or suspicion, and allows these feelings of irritation to generate within him, he will certainly have discord, failure, and disaster in his mind, body and world. As long as he persists in allowing his attention to be held by such thoughts—whether they be about nations, persons, places, condition, or things—he is absorbing those activities into the substance of his mind, his body, and his affairs. In fact he is compelling—forcing—them into his experience."

That, gentlemen, is a quotation from an exact statement appearing on page 7 of "Unveiled Mysteries." That to my mind should convey a great deal to the minds of you gentlemen. I don't think you got the impression from Mr. Lazarus' argument that he was particularly in love with Mrs. Ballard. I feel sorry for the gentleman, for I know he has been assigned to do a job. He has tried to do it the best way he could, and he has passed the odious burden of the final decision to you gentlemen.

It may not be inappropriate to say what Mr. Justice Brandeis said in a recent Supreme Court case in one of his famous dissenting opinions. As you all know, that eminent justice was a great believer in freedom and liberty of expression and thought. He said in the case of Olmstead v. United States:

> "The greatest dangers to liberty lurk in insidious [902] enroachment by men of zeal, well meaning but without understanding."

Now my friend of the prosecution, I hope, does not believe that he can stand in judgment himself personally over these people. I suffer for him if he does think that, for in Romans it is said:

> "Who art thou that judgest another man's servant? To his own master he standeth or falleth. Yea, he shall be holden up: for God is able to make him stand."

And it is my premise that God, to these people, the Mighty I Am Presence, will make them stand in your minds and in your hearts when you come to deliberate upon the evidence and the facts in this case, not a smokescreen as my friend said we are going to throw up around this case. I don't believe I have ever heard a more scholarly or more accurate argument given to a jury by a defense counsel than that which you have just heard by Mr. Gilbert, a clear analysis of the evidence, of the Government's own evidence.

They say we are going to try to smokescreen you. You haven't heard any great amount of quotations from the Holy Scriptures because we contend that the words that these people have said and have expressed and have written will stand, and they will stand eternally because they are the truth, and wherever in any of these writings you have seen that word "truth" it is always capitalized. It is always eternal.

Now, it falls to my lot to try to take up where Mr .Gilbert left off and to show you gentlemen that the Government's evidence has failed to support the charges of the indictment.

My friend referred to this as a great money making scheme. There is no purpose in my again repeating that they failed to bring you any evidence of the great profits and the great income to Mrs. Ballard from this work. They had that evidence in their possession, but they didn't see fit to bring it before you. [903]

Now, he has also stated several times that he would have liked to have heard an explanation of this or that or of some other thing. The burden is not upon the defense to come in here and educate you into these teachings. We started out on the premise that your minds were free of any knowledge of this case. Some of these people have been practicing these teachings for seven, eight, or nine years and it would be a hopeless task for us to try to come in here and give you all these teachings that have gone on over these eight, nine, or ten years and that the

public has received. On the contrary, it is our duty or our obligation on behalf of the defendants to meet whatever the Government has brought in, keeping in mind that the presumption of innocence is always in our favor until it is overridden by substantial, beyond-a-reasonable-doubt evidence to the contrary.

This Christian activity—and it is a Christian activity—whether you want to call it a religion or whether you want to call it educational or patriotic—it requires money to sustain it just as every church in our country requires money to sustain themselves, and some of our churches require a lot of money and there is no law that I know of that forbids the collection of that money.

I think we have shown to you beyond any reasonable doubt that so far as the money that is necessary to carry on this activity is concerned comes as a free-will offer of love from the people who are interested in these teachings. You have heard a great deal about love gifts. You have heard of love gift boxes, love gift envelopes. You have heard that those boxes are in the outer lobby of these temples, the Masonic Temple in Washington, D. C., the Shrine Auditorium here in Los Angeles, the Scottish Rite Temple in San Francisco, and the temples in other places throughout the country. They are in the outer lobby. People who wish can put contributions in those boxes. Now, they don't put them in when [904] they go in. That is reasonable because there is no admission charge. They put them in

when they come out, if they are going to put them in at all. You have heard several witnesses say that sometimes they contributed and sometimes they didn't. So if they do put a nickel or a dime or even a dollar bill in a love gift envelope and drop it in the box, they do it after they have received something. What have they received? In my opinion, they have received some spiritual enlightenment that they haven't been able to receive from other means.

Mr. Crouse testified that he wasn't sure as to the average donation, but he thought—or words to that effect—that it was around 8 cents a person. Several of these witnesses have testified about large sums they have given. $500, I believe Mrs. Bliss said she had given in nine years. Mr. Bliss probably gave a great deal more than that in that same period of time to whatever church she belonged to before she ever came to this activity, if she ever did belong to a church. The same is true of a number of others. It sounds enormous when it is added together, but when you gentlemen go to figuring up your income tax returns this month or next month when they are due, when you start figuring out what you gave to your church, do you know how much? I don't know. Most of us put down a figure which we guess at, which is logical, and probably what is at least half of what we really did give.

Now, the indictment charges that these people have obtained this money from contributions and gifts. Nothing is said about investments. They are not charged with having swindled people in any

kind of a stock scheme or anything of that sort. The people received the instructions if they wanted it. If they wanted to contribute, they contributed. If they didn't want it, they rejected it. There is nothing that forces anyone to undertake this instruction, to read these books, or to attend these lectures. It is of their own free will. [905]

Now, one of the Government exhibits in evidence on this subject of money reads as follows (this is the I Am group leader instruction):

"Financial regulations.

"Under no circumstances ever ask for money. Do not send out letters asking people for money or assistance of any kind. Saint Germain said in the beginning that this teaching must never be commercialized for private profit. Do not allow the student body to be preyed upon by any commercial activity for any reason at all. Do not ask for a dime.

"If you need money for your group activity and for expanding this light, get your group together and ask them to give a decree that the I Am Presence release to you ten times more than you need of every good thing, including money, to carry on this ascended master activity as the ascended masters desire." and so on.

We have ample testimony throughout this record —Mrs. LaFerrera, Mrs. Bliss, Mrs. Rogers—that each I Am group is separate and distinct and pays its own way.

You have heard a number of group leaders testify for the defense, and practically each and every one of them was asked, "Do you make any financial accounting or any other accounting to the Ballards?" And the answer was always "No."

Now, if this were such an insidious scheme to defraud, to mulct the people, to "flim-flam-flooge," or something like that my friend calls it, would those reading rooms, would those groups, be free and independent, financially and otherwise, of the Ballards? No, they would be a very profitable source of the supply of this great wealth that is dreamed into these people, according to my [906] friend's assumption. They would know who these people are, which would make it possible for them to secure great income from. They would want to have a so-called suck list.

My friend, in his introduction yesterday in, I believe he intended it as a compliment—at least I hope he did—referred to the experience of defense counsel. I, for one, have accepted the reference to myself as a compliment, because in the more than 200 cases which he referred to, and which I have been in one way or another associated, in half of those cases I would say that I have been on the Government's side, and I have seen the Government make the mistakes, and I have seen the Government make mistakes in this case, and I don't believe you, as reasonable, intelligent men, are going to let my opinion or Mr. Lazarus' opinion or Mr. Neukom's opinion influence you one way or the other.

As a matter of fact, we had quite a bit of discussion yesterday after Mr. Lazarus completed his argument that perhaps we would waive argument, because we felt that Mr. Lazarus had said nothing on the factual side of this case that could persuade you to return a verdict of guilty against these defendants.

However, we have been here eight weeks with you, we like to see you, and you probably like to see us sometimes. I agree with Mr. Peterson that there ought to be some system whereby a bell would ring or a whistle blow when a jury gets tired of hearing a lawyer, because they never get tired of hearing the judge because they are not allowed to, but lawyers can often times talk themselves hoarse and sometimes talk a jury deaf, dumb and blind, and we are not going to try to do that.

Now, I want just in passing to take this indictment. It is a very unwieldy sort of document, but the first thing that I observe on page 1 is that these defendants "did unlawfully, knowingly and wilfully devise and intend to devise a scheme and artifice to defraud." [907]

All right. You will receive instructions from the Court at the close of the argument as to what "wilfully, knowingly and unlawfully" means. It means with a wilfull intent. That is about the nearest I can come to it explaining it in a few words. And you have got to find, gentlemen, after considering all the evidence in this case and resolving everything in favor of the defendants that you

can where there are two reasonable hypotheses, you have got to find that they had wilfull intent to defraud, and that they knowingly—in other words, viciously—did these things.

Now, they are supposed to have defrauded a great class of people. Margaret Schall is named as one of them, Thomas Stevens, Maud Hill, Ernest Ricord, William I. Ferguson, Muriel Bliss, Gladys Kemp.

William I. Ferguson. William I. Ferguson didn't appear before you. They brought Mrs. Ferguson here. She could tell you all about it, but when it came to a question of something about Mr. Ferguson—"No, I didn't write that. He did that part of it. No, I didn't do it." Yet Mr. Ferguson was in the courtroom all during this trial, according to the testimony of one of the defendants' witnesses.

Mr. Lazarus: If the Court please, I wish to correct that statement. I believe that that should not stand in the record. I would like to have the exact reference in the transcript, if it is so. Mr. Ferguson was not in the courtroom, nor does it appear in the record that he was.

Mr. Cannon: Miss Majerus testified to it. I will give you the page.

The Court: Furnish counsel with the page number. Continue your argument.

Mr. Neukom: As long as we are interrupting, I don't want to interrupt you again, but I do want to make one statement, your Honor. [908]

There has been some reference here as to books of account. The inference has been left with the

jury that the Government have all the books of account of these defendants.

I would like to have the jury informed that these books of account that we have were of a corporation which was formed in December 12, 1939.

The Court: I think counsel will take care of that.

Mr. Cannon: We will argue that.

Mr. Donnelly: Shall I proceed your Honor, or do you wish to wait?

The Court: Proceed.

Mr. Donnelly: I think we will straighten that point out, and I also wish to say, if I have made any references to things that are not in the record, other than my references to my own personal opinion about things, I wish to stand corrected and I hope they will correct me.

Now, we start out in this indictment by saying that they "did create, organize and operate a certain organization or movement known as the I Am movement."

Mr. Gilbert has raised the question very substantially as to where is the proof of the beginning, that is, the creation, of this so-called scheme.

There is no question as to the fact that the Saint Germain Foundation is an Illinois corporation, as stated in the indictment, and there is no question as to the fact that it is a non-profit corporation. There is evidence upon that.

Now, there is no question as to the fact that there the Saint Germain Press. These books are published by the Saint Germain Press. That is a com-

mercial enterprise, it is true. It is a profit corporation, just the same as any other type of business is that is engaged in for profit, whether it be an automobile business, whether it be a plumbing establishment that is incorporated, or what not.

[909]

Now, so far so good. We will agree upon that, that there is such corporations; and we will agree that they had offices.

However, we will not agree, and we contend that the evidence does not so establish, that, in addition to organizing these corporations, "it was a further part of the said scheme and artifice to defraud that the defendants by means of false and fraudulent representations, pretenses and promises, solicit, induce, encourage, persuade and entice the persons to be defrauded to purchase from the said defendants various books, charts, pamphlets, magazines and other written and printed matter published by the said Saint Germain Press."

I don't believe there has been a single item of testimony produced here that could lead you to the inference that people have been induced, persuaded or enticed into buying anything from the Saint Germain Press.

There is testimony that these books were available in Brentano's, an internationally known bookselling store. Incidentally, Miss Majerus was a former employee of that organization.

There is testimony here that the books are in

public libraries where anyone who may wish to read them may go and find them.

There is testimony here that the books are in the Library of Congress, where Mrs. Schall read the books, at the Library of Congress; where she, a little different from us poor mortals who have to get special permission to get those books from the Library of Congress, she had access to them because she was the secretary for many—yea, many—years of her famous husband, the Senator from Minnesota.

I knew Senator Schall in his lifetime. I knew he was a fine gentleman. I saw Mrs. Schall on the witness stand. Do you think she was an ignorant, credulous, fanatical woman? Of course she wasn't. You saw her Phi Beta Kappa key hanging around her neck, if you observed her closely. [910]

Now, she is one of those who was to be defrauded. So she reads the books in the Congressional Library, so she likes them, and she goes out and buys them. All right.

Now, all the other witnesses that I can remember proceeded along the same lines. They were told about the books or loaned the books by friends. That is how they came in contact with them. They were told about the meetings. There was no great glaring advertisement, such as you will find in most or a great many of the Los Angeles papers, telling about where you can hear a lecture on salvation, or a lecture on perdition, or where is hell, and all those things. You can pick up a paper every day

and somebody is giving a lecture on one of those phases of belief, spiritual conception.

Now, coming to, we might call, the gist of the indictment, the first charge is that the defendant Guy W. Ballard had obtained a supernatural state of self-immortality.

There is no evidence, I submit to you, gentlemen, in this record that could anywhere come close to establishing that statement as a fact. The evidence is substantially to the contrary.

There was a reference read to you by my friend yesterday from "The Voice", "Look upon these people. They seem and are very humble." And that was read to you by my friend of the prosecution. So how could they contend that Mr. Ballard claimed to have obtained a supernatural state of self-immortality, whatever that phraseology may mean?

They claim that he did, in fact, die on December 29, 1939, in the City of Los Angeles, California, following an operation performed upon him. All right! To their way of reasoning maybe Mr. Ballard did die according to medical and legal standards. These people believed, and they believed sincerely and earnestly and honestly that Guy W. Ballard ascended. Frankly, all through this case there has run an undercurrent of something strange and mystical to me personally. Regardless of whether I accept or reject the I Am teachings, I can't help but feel that there was something in the life of Guy W. Ballard [911] that made him a little better than the ordinary run of human beings. Guy W.

Ballard was more than a preacher. He was more than a prophet. He has been condemned in this courtroom. He has been condemned as have other preachers and other prophets. I feel personally that Guy W. Ballard left behind him a message on this earth that will be difficult to eradicate from the minds of men. I feel that he has brought a great deal of good into a world that has been suffering from evil, a degeneracy of the spirit. I feel that Guy W. Ballard has ascended, if there is such a thing, for I feel that it was his reward to be called with the masters with whom he worked in order to bring about a better state of spiritual resistance to the forces of evil and hatred and degeneracy that have forced themselves upon this country at this time. Be that as it may, that is my opinion.

He may have been immortal when he was here. I don't know. There was no proof that he was not. There is no proof that he claimed that he was.

Now, they charge also that Guy W. Ballard—and you will notice the preliminary part of this indictment goes to Guy W. Ballard—that he was a divine messenger and that the words of ascended masters and the words of the alleged divine entity, Saint Germain, would be transmitted to mankind through the medium of the said Guy W. Ballard. That is supposed to have been false, but the Court has already told you that you may not speculate upon whether or not Guy W. Ballard had these experiences with the ascended ones. However, there

has been no proof, so far as I can find in the record, that Guy W. Ballard did not transmit to mankind the words of the ascended masters or certain principles and teachings.

Now, they claim again that Guy W. Ballard during his lifetime, and Edna W. Ballard and Donald Ballard, by reason of their alleged high spiritual attainments and righteous conduct, had been selected and designated to bring forth these teachings; whereas—this is from the indictment—none, neither, nor any of the three above designated [912] persons had in fact achieved a high spiritual attainment; and whereas in fact none, neither, nor any of the said three designated persons have in fact lived a life either prior to the date set forth in the herein indictment or continuously up to and including the filing thereof, which said life adhered to and consisted of, righteous conduct. That is a little ambiguous to my way of thinking. I haven't found any evidence that showed that either Guy W. Ballard or Edna W. Ballard or their son Donald Ballard had conducted themselves in anything but a righteous manner. There has been no testimony of riotous living. There has been no evidence showing the fruition, fruits of any fraud. It would seem to me that if they had not lived a righteous life, the Government would have known about it. They would have known about their troubles and their tribulations and they would have brought it forcefully home to you if they thought seriously about Donald Ballard drinking soda pop behind the cur-

tains in the Shrine Auditorium. If that is unrighteous conduct, then I am guilty of unrighteous conduct in addressing you. That is the smokescreen of this case, gentlemen. We are not the ones that are bringing any smokescreen to you. Those trivialities, do they point to unrighteous conduct? Certainly not.

If these people had been guilty of any fraudulent scheme, had gained this great income, don't you think they would have had a palatial home somewhere? Don't you think they would have had yachts? Don't you think they would have had other things that sometimes we find promoters of mail fraud schemes having or accomplishing? No indeed.

Pat Crouse said fourteen classes a year every year since 1935, from 10 to 17 days a class. Classes start at 1:00 o'clock and run into 11:00 o'clock at night or after. Thousands of people calling upon the Ballards for their attention, their audience with them. Where these people ever got any rest, I don't know. That is one of the reasons I say they are just a little bit better than us [913] ordinary poor mortals. How a man and his wife of apparently limited educational advantages, a man who was almost impoverished, apparently in 1930 at Mount Shasta—that is, he was living frugally anyhow—could bring forth to the people of this country a conception of spiritual divinity and the relation of man to his maker, work 20 hours a day, write for these publications and not have something of the spark of divinity in them is more than I can see.

It has been difficult for us of the defense in working on this lawsuit, and it has worn us out and probably worn some of you gentlemen out by this time. I can't work like the Ballards worked. And what did they get for it? They got an indictment filed in the United States District Court because they dared to come forth and preach and work and slave to give humanity something of good and nothing of evil. The greatest indignity is the drawing together of twelve good men and true, sworn to well and truly try this case, to require them to sit here for eight weeks and listen to this thing like Donald Ballard drinking soda pop behind a curtain in the Shrine Auditorium.

Does your Honor wish to take an afternoon recess? It doesn't make any difference to me.

The Court: Gentlemen of the jury, you will remember my admonition to you, and we will take a 15-minute recess.

(At this point a short recess was taken, after which proceedings were resumed as follows:)

Mr. Donnelly: Now, gentlemen of the jury, we left off in the afternoon recess and were discussing something about the righteous conduct allegation of this indictment.

I submit to you in passing that allegation that if there is anything immoral and unrighteous about the conduct of these people, it would have been shown, and you can bet your bottom dollar on that. But there is nothing in that connection that has been shown you. [914]

Now the evidence in this case, to my way of thinking, separates itself into two distinct classes: First, the teachings of this movement, the public utterances, the public writings; and, secondly, the private conversations between certain of the defendants and certain members of the public or members of the Ballard staff.

The Judge very properly has told you at one stage of this proceeding that you were to disregard a certain telegram relating to the dismissal of someone on the staff, that that was a staff- or inner-discipline, organization discipline proposition. And I submit to you that much of the material that has gone into this tremendous record has been based upon the conversations between Mrs. Ballard or Mr. Ballard and members of the staff. Some of those conversations went back into ancient history almost, and yet witnesses have come on the stand and almost have given you their conception of it as it took place word for word.

For example, we have certain things like the reference made by Mr. Lazarus yesterday that Donald had testified in another case that he had had no experiences with Saint Germain. That to my mind is certainly the subject of argument. I have no doubt but what Donald meant in that statement that he had not had the experiences with the masters that his father and mother had had; he had not gone through the adventures, these happenings, that are detailed as Mrs. Ballard's own experiences in the books.

Now we have a woman who comes on the stand and tells you that Donald denied to her that Jesus had held his mother in His arms. That is a small triviality for an intelligent person to bring forth at this late date, and where its position is in the scheme to defraud I am frank to say is a mystery to me. For all through this attempted pattern that the Government has sought to weave here, we find little flecks of insidious innuendo which cannot be the basis of fact, for fact is something that must be demonstrated to a reasonable mind. You must first find that these representations allegedly as alleged [915] were made, and then you must find that they are false, and that finding must be based on substantial evidence that precludes any possibility of two hypotheses or two interpretations, just like Donald's experience with Saint Germain.

Now a great deal of opinion is involved in a question of this kind, and it is a type of thing that I don't think Congress ever intended to bring within the so-called mail fraud statute. The cases, important cases, of mail fraud since the enactment of this statute in 1872 had to do with schemes which were, to some degree, robbery. I don't say robbery is encompassed within this statute, but I am using that as a parallel. It means that someone went out and took something from somebody who gave it up because they had been led to believe something that wasn't true.

They have gone to stock schemes, bucket houses,

bucket shops, green goods swindles, that is counterfeit money, and things of that type.

The few cases that have involved spiritual concepts have, on the whole, been precluded from the mail fraud statute. The blessed handkerchief case cited by my friend of the prosecution, it is true, is a case in which a conviction lay, and yet there have been a number of others, particularly involving Jehovah's Witnesses, whose leader has just passed on here in this city, Judge Rutherford. The Supreme Court records are full of Jehovah's Witnesses.

And, strainge to say, the majority of the opinions are favorable to Jehovah's Witnesses.

Mr. Neukom: Your Honor, I hate to interrupt, but any allusion to a Jehovah's Witnesses case, which as counsel knows, was not a mail fraud case, which was brought under the right of a person whether they should or should not salute the flag, as to that precept, has no part in this argument.

The Court: I think that counsel is using it as illustrative matter and I think that, in view of the fact that you have a reply, those matters can be called to the attention of the jury if you feel that there is any statement you would like to controvert.

[916]

Mr. Neukom: Very well.

Mr. Donnelly: It is true, as counsel says, the Jehovah Witness cases do not involve mail fraud, as we are here confronted; they do involve matters

of the circulation of spiritual, of their beliefs, and are not concerned solely with the saluting of the flag. The single case on that subject, the Goldbetter case, did involve that subject.

However, in this particular case—and it seems to be a point that was pretty well glossed over by the Government in their effort to show you—wherein some insidious proposition lay, was the proposition of the patriotic devotion of these people. My friend of the prosecution—and incidentally, there isn't any question in the mnids of any of you, I don't believe, that these people aren't patriots and devotedly so, and that they salute the flag, according to the evidence, at every one of these meetings, they sing the National Anthem, and they engage in other patriotic activities. You have seen all of the defendants and the student witnesses appear on that stand, and you have seen their American flag over their left breast. Every one has been identified by that characteristic.

Now passing that for the moment, I would direct your attention to certain references in the literature, itself, on this question of patriotic devotion. I had not intended to go into the subject, but when my friend of the prosecution appealed to you to punish these people so that the boys that were overseas could come back to a better world, which apparently he intended to mean a world free of the Ballard teachings, I feel it my duty thereby to answer him to a certain measure.

Now in one of the books there appears a disserta-

tion called "Blessing to the Flag by G. W. Ballard," on Constitution Day, Seattle, Washington, September 18, 1938.

There is a teaching read regularly apparently at the classes which is in evidence, "Protect our Constitution of the United States", [917] the closing paragraph of which is:

> "America, we love and bless you. Your light shall blaze forth and cover the earth with its dazzling radiance and release its eternal perfection everywhere, forever and forever. We love you our blessed America."

And there are many other references throughout the literature to the flag and to the Constitution and to this country.

Now on that particular subject, when we speak of the men that are going to return, Mr. Peterson has already referred to what they are going to return to. Are they going to return to a country that still has its bill of rights and its freedom of worship and discussion and freedom of press, or are they going to return to a country that has been deprived of those rights?

My friend stated of the momentous happenings, that a war had started since we started this case, and I would like to also say that since we started this case they have had the 150th year celebration of the bill of rights of the Constitution of the United States. Some of you gentlemen may have attended some of those ceremonies on your hours

off from this case. That bill of rights protects, in the first amendment to the Constitution, the right to worship God in the manner which the individual best sees fit.

Now Mrs. Lavett, who testified on this stand, from Washington, D. C., testified that she had two sons who were I Am students in the service of their country. Are those boys going to return after their services are up and find that they have been deprived of the right to read the I Am books, the right to attend I Am lectures, or are they going to come back and find that there is still such a thing as freedom of thought and freedom of belief and freedom of action in this great country of ours?

My friend has referred again to the war proposition, but he has neglected to point out to you in his argument that both of the [918] defendants, Cassiere and Stickell, are ex-service men, as the evidence shows.

Don't you think they are entitled to preach, to teach their beliefs? It might not be possible for them to fight this war, but they fought for their country before, and they would fight for it again if the need arose.

I merely point those things out to you so that you gentlemen may understand that one of the teachings that was not touched upon by the Government is the teaching of patriotic devotion to the flag and to the country, as exemplified throughout the printed works.

Now while I am on the subject of some of these

witnesses, I want to make some comparisons which I think are in order. You saw before you on behalf of the defense people that came from all over the United States at their own expense to testify on behalf of Mrs. Ballard and her associates. Those people are sincere, God-loving, American citizens. They were college people. There was one lady who was a Ph.D. There was a teacher, a member of the New York Stock Exchange; they were bankers, they were lawyers, they were doctors. They were Government employees, strange to say.

And if you gentlemen recall, my friend of the prosecution asked the lady from the Interstate Commerce Commission—I believe it was that lady or maybe it was the man from Denver who works for the Agricultural Adjustment Administration—"Are you under civil service?"

What materiality had such a question, or the answer to it, in this case? Why did my friend want to know whether this student was under civil service? Maybe he can answer it, because Mr. Neukom asked the question, when he has the final say to you gentlemen of the jury. I will leave that to your own judgment as to why he wanted to know whether this woman was under civil service.

Now you have had a man on the stand, an electrical contractor. He gave you an experience that occurred while he was on his way out here. That experience was one to which he attributed the saving of [919] the life of himself and his wife to her call to the Mighty I Am Presence or God. He said

they were practically lost sliding down this mountain and he heard her call to God, the Mighty I Am Presence, and the car stopped like that.

Mr. Lavett believed that. I believe it. He sincerely believed it. And all of these people that have testified before as to personal experiences, their beliefs, they sincerely believed them, and I don't think that there can be a single question of doubt about anything along that line.

We had a one-armed ex-minister, a man who spent 34 years in the Department of the Interior, a Christian minister, ordained, Dr. Buck. You heard him. Did you think that he was some insincere crackpot that was put on this stand to smokescreen you into believing that these were quacks and fakes, charlatans I believe was the expression used by Mr. Lazarus in his argument?

Oh, yes, don't forget Miss Ade, Grace Ade. She was the advertising manager of the Greater New York Federation of Churches. Is her understanding and her teaching—because she is a group leader—of the principles of the Saint Germain activity, of the I Am, contrary, or does it interfere with her work with the churches of New York City? It is entirely consistent. There is nothing inconceivable about this work when it is understood and when it is properly studied.

I don't think you gentlemen can possibly feel for one moment that any one of those individuals that was presented here on behalf of the defense was anything but an intelligent, human being. I don't think that you will feel that a number of the Gov-

ernment witnesses were anything but intelligent human beings, who had the right of free will, who had the right to leave the movement, to reject it if they wished.

You take Mrs. Schall again. Mrs. Schall is certainly an intelligent woman. Mrs. Schall said that she went into this work [920] because she was looking for something to aid her husband's blindness. She had tried theosophic readings, teachings; she had tried doctors; she had tried Christian Science. She was told to say, "I believe he is well. I believe he has his sight. He will get his sight," or words to that effect. But he didn't get his sight. And she went into the I Am lectures. Two months later her husband died. She frankly admitted that perhaps it was because of her lack of understanding during that period of time that he did not regain his sight. He died blind, as he lived.

And yet Mrs. Schall is presented to you as one of the so-called victim witnesses who was not a member of the staff but simply a member of the lay public. She had no contact with the Ballards except in one meeting in Washington when she talked to Mrs. Ballard about Senator Schall's blindness. She is one of those alluded to in the indictment as being hypnotized into traveling great distances to hear these people. Yet when we come to the facts in the case, Mrs. Schall didn't travel great distances under any sense of hypnosis or under any persuasion or enticement. When Senator Schall died she went back to her home in Minnesota where she at-

tended some classse that were being held there. Then, according to her testimony, she moved to California. She moved to California, gentlemen. She was a widow. Her husband was gone. I can understand Mrs. Schall's attitude. I think you gentlemen can understand it, too. California is a lovely place to live. In eight weeks I have grown to become very fond of it, and it may be because possibly the Ballards are here that I am more fond of it.

Now, another lady you might call a victim witness is Mrs. Hill. She is another one that was induced to travel great distances at great expense to herself, as charged in this indictment. Mrs. Hill, the lovely lady that she was, was apparently a woman of ample means who could go to Florida in the wintertime and then, when she got tired of Florida she could come across the country to her ranch [921] somewhere up the state here, a ranch where she had a gold mine. She had other reasons to come to California other than the Ballards. You remember a discussion I had with her about the pronunciation of Ahwahnee. I didn't know anything about Ahwahnee. I know now. She had a ranch and a gold mine near Ahwahnee. That is the type of person the Government would have you believe is hypnotized into following or spending money on this activity.

Now, if this were a fraud scheme, gentlemen, why did these defendants let this big amount of money get away from them, the traveling costs of

Mrs. Hill and Mrs. Schall? Why didn't they grab it themselves? Why did they let the $190,000 go into radio work to spread the light of these teachings? Why didn't they grab it themselves? It would be just as easy, if the Government's theory of the case is correct, for these people to have put every single dime of this kind of money into their pockets. But no, as Mr. Sieber said from the stand, he told them they should get these teachings to the people, spread it, and Sieber, the bank president, is the man that took the Ballards out and started them on the road. Is he guilty of fraud because he told them that it would be more convenient for them to go to the people than the people to come to them? No! Mr. Sieber for the months he was engaged was paid according to the agreement he had with Mr. Ballard, a business man's agreement, under which Mr. Sieber, if it had been a fraud scheme, wouldn't have gotten as much, I can assure you.

Now, there were other witnesses in this case whom we don't think quite as well of. We weren't satisfied when the Government produced the lovely lady with the blonde hair, Mrs. Shinn. You recall her, I am sure. She testified on direct examination that her mother was, in effect, old and feeble, didn't speak English very good. That was why her mother wasn't here to tell about this glorious painting, this glorious painting that was painted in Brussels, Belgium, in 1915 during the German occupancy of Brussels [922] and was imported, rather, taken out

of the country under some special diplomatic permit or agreement with the German Government. I don't recall now what it was.

We wanted to find out the true facts of the situation. We felt that it was better to get the originator in here, even though we had to make her our own witness, than to take the word of a woman who, at the time of the occurrence related, was, I think, either 14, 15 or 16 years old.

Now, Mrs. Theresa de Carranza is named in this indictment as the originator and painter of this picture of Saint Germain painted by Charles Sindelar. We brought her in because we wanted to know something about it. We wanted to know whether Charles Sindelar was telling the truth when he said he painted this as a vision of Saint Germain or whether he had copied it from this picture, as the Government contends in subparagraph 13 of this indictment:

> "Whereas in truth and in fact the defendants well knew that said painting was copied from an existing picture painted approximately 20 years theretofore by Theresa de Carranza and that the reproductions were made for the purpose of sale."

You gentlemen have seen both pictures. Of course, the only similarity is in the design behind the head. I think the explanation of that is entirely reasonable, and I think you remember it.

Now, when Mrs. Theresa de Carranza, the artist

whom I say we made our witness, was called in, she wasn't so feeble that we couldn't understand what she was talking about. As a matter of fact, she talked pretty well, according to my way of thinking. It wasn't a lack of English that was bothering us; it was trying to cut her off. We got along all right, as far as that is concerned, and she identified a photograph which we put in evidence and she said, "Yes, that is a reproduction of my picture." [923]

All right. I think most of you gentlemen got the significance of that situation. Here is the picture that Mrs. Theresa de Carranza said was a photograph of her picture which he painted in Brussels, Belgium, in 1915 and which was brought to this country in 1916.

Three ladies followed her on the stand, identified this picture as a reproduction of a picture that has been used in theosophical work, one of them said, since 1898 when she first saw that picture, and she saw constantly through the years. She was young, of course, at the time, but she saw it by constant repetition. Now, that is the situation which you gentlemen are called upon to determine. Did Mrs. Theresa de Carranza paint this picture? If she did, is this a copy of that picture, a copy made by Charles Sindelar? You can believe Charles Sindelar who said it was a painting of a vision in San Francisco, or you can believe Mrs. Theresa de Carranza that she painted this, and this is a copy. But

your eyes can't deceive you regardless of what the Government intends you to believe.

The only logical and reasonable inference that can be drawn from that situation is this: This is a reproduction, according to the evidence, of a picture that was used in esoteric work since 1898. According to what evidence we have here, it was seen in 1914 and it was seen early in 1916 by two ladies who were members of the esoteric group of the Theosophical Society at Pasadena. They stated they attended lectures here in Blanchard Hall in Los Angeles at that time and saw those pictures. The testimony on behalf of the Government and the testimony of Theresa de Carranza is that this picture was brought in in 1916. I don't know what Mrs. Theresa de Carranza was thinking about. I don't know where she got that picture. I don't know that it is even hers, from the testimony. Her name doesn't appear on it anywhere. My reasoning, and I submit that the only logical reasoning, is that that picture, [924] perhaps unconsciously, was copied by Mrs. de Carranza from this picture used in esoteric work and a picture of Saint Germain that has been known to the esoteric students for years.

Now, in the front part of the book "The Magic Presence" is a reproduction of this picture, and this picture is a reproduction of this picture. There is the Saint Germain picture that was brought out at the beginning of the Ballard work. That was the only picture known to the esoteric world as a picture of Saint Germain. It was an unpublished picture. The Ballards used it.

Later in 1935 Mr. Sindelar brought forth the picture of Saint Germain appearing to him, and Mr. Ballard said, "Yes, that is the picture of Saint Germain as I know him." The logical reasoning there is that this is a picture that was also known and used as a picture of Saint Germain by the esoteric world prior to the bringing forth of Mr. Ballard's experiences with Saint Germain. You will notice, of course, gentlemen, that in Mr. Lazarus' argument there was no reference made at all to the question of pictures, although the allegation stands forth very prominently in this indictment, that Mr. Sindelar, whereas, in truth and in fact, the defendants well knew, copied the picture of Theresa de Carranza.

Now, the next item of the indictment says that certain charts, phonograph records and articles sold by the defendants bestowed upon the purchasers great blessings and rewards in their aim to achieve salvation; whereas in truth and in fact the defendants had no foundation for said representations and well knew that said representations were false and fraudulent, and that said articles, charts and records had no ability to aid in achieving salvation.

How the Government has disproved any such contention, I don't know. Salvation and immortality are matters of the spirit. I am going to read to you a short excerpt which has appeared recently in the Reader's Digest. It is entitled "I believe in Immortality."

> "Are we immortal? Does the human spirit, [925] so precariously and briefly housed in a physical body, cease to be when that body ceases to be? Or does that soaring entity, the soul, once it has passed the gate of darkness, continue somewhere the challenging adventure which characterized its earth existence? No one knows the answer, or can know, but we all have an equal right to choose on which of the two hypotheses we shall build our philosophy of life.
>
> "We constantly talk about a philosophy of life, but we rarely examine that philosophy of death on which so much present-day thought and action depend."

And yet we are charged here with trying to aid humanity, to achieve a state of consciousness, to achieve a state of salvation, a state of honesty and a patriotic devotion to the country. We have been denounced for teaching good. An attempt has been made to ridicule the abstenance of these people from liquor, from tobacco, from flesh foods, from excessive sexual activity, from the use of narcotics, serums. That is their belief. If they believe and are taught that they should follow certain prescribed dietary laws, natural laws, in their hope to make themselves better in this embodiment, and to achieve what you and I might call salvation, then it is up to them. It is entirely their privilege to think and believe and be taught as they desire.

Nobody says you must do these things, nobody says you must go to church; it is offered to them if they want to accept it, if they want to believe it. It is there for the people if they want it.

Has there been any showing in this case of any harm or any evil that has been perpetrated by these people? I say to you, gentlemen, I recognize none. I recognize only the good in man and [926] that good lives after him.

They have taught, in my opinion, nothing but good. And when Mrs. Schall asked me from the witness stand, when I was examining her, didn't I know these things, wasn't I an I Am student, my only thought then to the lady was, I am afraid I do not have the will or the ability to be a real I Am student. I think I am an I am student, and I think we are all after this case to some small measure perhaps, because I think it has brought home to us a realization that God is not a mirage, a Sunday go-to-meeting proposition, a consciousness that is only called upon in time of trouble and stress, but God to these people is an every day proposition. And they are taught to love God, not to fear Him. The very experiences in these books of Mr. Ballard's, the very experiences of his, teach certain principles and precepts which we might call a philosophy of life. The incident or occasion with a panther—one of the witness on the stand stated that that teaching is a teaching to overcome fear. Through that experience Mr. Ballard learned to overcome fear, which has been the destruction of mankind since the beginning.

Now we have the next specification in the indictment, that the Ballards shouldn't be critized, or they would be denounced and punished by ascended masters.

Gentlemen, I have attempted to predicate my argument on the belief that this matter is a cross between an educational and a religious activity. Basically it is religious because it is a philosophy, dealing with divine power; structurally it is educational. It is not different than the conduct of a seminar or a class in ethics or philosophy at our great universities. The Ballards are the lecturers, the students are the students. The books are the textbooks. You might call it the bible of this lecture course, just as the Koran is the bible of the Mohammedans, just as "Science and Health and the Key to the Scriptures" is the bible to the Christian Scientists. [927]

Now in the universities or in classrooms you are generally there because you paid a fee to enter, but because you paid that fee to enter doesn't give you the privilege to stand up and criticize a professor. I have taught school and I know that I never countenanced that, regardless of how whacky my own presentation of a subject was. And I will tell you, gentlemen, that when I was teaching school some of the stuff that I taught was pretty whacky.

An early incident in my own experience is where an associate instructor conducted a course that we all thought was crackpot, a course which in those days was thought to be socialistic. Social economies

was the subject. But regardless of how other members of the teaching staff, or how the students themselves—and there are many of them—had complained because the thing didn't sound right, the teachings were wrong according to their concept, but they didn't go into the classroom and criticize those teachings. They weren't permitted to. Now that gentleman that was conducting that course, he had great ideas on social democracy. That gentleman today occupies the high position in the Government of these United States. His name is Leon Henderson. You have all read the papers about his being the czar of prices in the United States. He is putting into effect some of the things that we thought were a little out-landish in 1922, but he has been allowed to experiment with it, and he is experimenting with them today, with the sanction of Congress and the sanction of the Government. I hope to God he works it out properly.

And I know that when the final hand writes, God will recognize that the writing of the Ballards has been a step in the direction of teaching the truth of existence, in close religion to His divinity, to His deity and to His spirit.

Now certainly they are not going to let people stand up and heckle them in these large classes. What kind of a situation do you [928] think that would be? They are not allowed to criticize. Certainly they shouldn't criticize them. But does that make it a fraud case because they have told people that they mustn't criticize them? It is too far fetched for my imagination.

Now, in connection with this indictment, I call the attention of you gentlemen to the fact that there are 11 counts now outstanding, on the mail fraud or substantive counts, and there is one count for conspiracy to do the things that are alleged in the other 11. Each count is a separate lawsuit. A conviction on one count is a conviction on a lawsuit. The same is true of an acquittal. An acquittal on 10 and a conviction on one is the same as finding them practically guilty on the whole business.

We feel that when you gentlemen have taken this case into the jury room, and after you have received the instructions from the Court, that you will weigh carefully all the substantial evidence in this case, that you will find that on all the substantial evidence of the case there has been no violation of the law, either on any one or all of the first 11 counts of this indictment, or under the conspiracy count, and that you will come forth and announce your verdict, and that verdict will be favorable, that is, a verdict of acquittal on all counts.

In closing, I want to close on the same note that my friend did yesterday, and that is, that there are five defendants in this case who are brought in because they originally believed in the Ballards and their sincerity and they have stayed with the Ballards and believe in their sincerity all these years. For the most part, they started at the same time with the Ballards that Mrs. Bliss did and others who do not here stand indicted.

Mrs. Bliss dropped out. She was an appointed messenger, the same as Bill Cassiere and Paul Stickell. The only difference—and she has testified that they taught the same thing as she did, in the same way, and that they all taught according to the Ballard [929] teachings—the only difference is that they have continued to believe.

Now, as to Miss Majerus, I am trying to find the reference that my friend made to her yesterday, she was the general factotum, I believe, or some such reference, at Chicago. She makes $125 a month tending to the office. I can't see for the life of me how you gentlemen can worry about that problem here very long. Miss Majerus is certainly not engaged, in my opinion, in any scheme, nor has she made any false representations.

The same is true of Mrs. Mundy. Mrs. Mundy has been a devotee, a follower, of a beloved leader. She has given of her time and her energy to helping that leader, just the same as that leader has given of her own time and energy to help humanity.

And I say to you, gentlemen, in closing, that there should be no difficulty in arriving at a decision promptly as to most of the defendants, and I know Mrs. Ballard subscribes to my thought that you should consider carefully, weigh the evidence, resolve all doubts that might exist in her favor, and bring in a verdict of acquittal, which will enable these people to go free from this court and free from the insidious charges of this indictment. [930]

ARGUMENT IN BEHALF OF THE DEFENDANTS

(Contd.)

Mr. Cannon: If the Court please, gentlemen for the prosecution and gentlemen of the Jury: This is something I have been dreading for eight weeks but oh so terribly the last few days. I am not going to be very long, I hope, and I know you hope. It has been suggested to me that I talk an hour. I am not going to talk that long if I finish what I have to say, and I may have to talk two hours; but I will talk only so long as I feel I can be of some assistance to the jury or the Court and to my clients.

I have tried a few cases, not many, but a few; and I suppose as often as a man tries cases, just that often are they always nervous about standing before a jury. Mr. Lazarus and some of the other gentlemen, particularly Mr. Lazarus, went to great lengths to compliment counsel. I don't know whether I should feel jealous of the position of my associates or not. I was not characterized as a member of a big firm, nor as having very much experience in practice, but that, gentlemen, doesn't mean anything. About this compliment of counsel: those are things we like to do for ourselves in the privacy of our own offices. One of the reasons it is done in court is this (and I am not charging *with* Mr. Lazarus with bad faith at all): But if we are so good as he says we are, then, of course, if he beats us he has done a particularly fine job;

and if he doesn't beat us, then he has been beaten by the best counsel there is. Now, we are not the best there is in the world. We don't claim to be. None of us claim that.

Mr. Lazarus, early in his argument, made a statement that I want to peg if I may right now lest there be some misunderstanding about it. Concerning the disagreement of this jury, he said this: "She has been fooling the people that have been before her and it [931] was her hope, no doubt, by these glib representations of hers and these distinctions between black magicians and powerful black magicians that she should fool at least one of you gentlemen because she only has to fool one in order to hang the jury."

Now by "hang the jury," of course, Mr. Lazarus meant to get a disagreement. None of us want to hang the jury yet. We come to you gentlemen with the flat proposition that we are not asking for a disagreement in this jury; we want a vindication of this case and we think we are entitled to it, and I am going to point out to you the little while I stand before you here some propositions, and I am going to put them down in language unmistakably clear to the prosecution and I am going to give them numbers. Then if you men, when you go into the jury room to deliberate, can convince yourselves beyond a reasonable doubt that the prosecution has established those propositions and can explain them to you, I want you to come out and convict them, and not convict them on one count. We want no

compromise, gentlemen. Convict them on all counts if you convict them at all. Those propositions I am going to lay down flatly in their laps and they can take them or leave them because after all, as the Court will instruct you gentlemen, the burden is on the prosecution, not upon the defense to make a defense.

Mr. Peterson has adverted to the fact that while under the theory of the law a man is cloaked with the presumption of innocence, we all know as a practical proposition that a person charged in a federal court goes onto that witness stand and comes before you men under a cloud, and I don't care how honest and sincere and virtuous and upright you are, a lawyer always has the advantage of a witness. I say that for the defense lawyers and I say that for the prosecution lawyers. A witness is always at a disadvantage on the witness stand and particularly so, gentlemen, when that person is a defendant. That is particularly so. We [932] have had in this case thrown at us with the greatest facility in the world charges of perjury by the prosecution, claiming that these witnesses have perjured themselves. They have been glib in their denunciations and so forth with the idea of befogging this issue, and I want to ask you gentlemen in all frankness who in this case has talked about the facts. Has it been the prosecution? Was that argument of Mr. Lazarus based upon the facts? He took the books of this movement—and we have admitted all the time and read them—and held them up to you

for ridicule and innuendo and suggestion and fears with respect to the honesty and integrity of these people. Who has talked about the witnesses? Who has talked about the facts? The defense! And that is what I am going to talk about now.

I have been on both sides of these cases as Mr. Lazarus said. I have been on the prosecution and I have been on the defense and I want to tell you right now, gentlemen, as you men know from your own experiences, the defense is a tough side. And why is it the tough side in a fraud case? Why, because fraud is the most ephemeral thing in the world. We sit here. A man charged with fraud never knows where that lightning is going to strike. It may strike anywhere. The slightest things that have occurred in a person's life during the period laid in this indictment may be dragged out into the open and construction put upon them, which we contend is not justified by the conditions as they then existed and not justified by the conditions as they now exist. Another reason it is tougher to defend a fraud case than it is to prosecute one; because we always know as a practical proposition that the defense doesn't have available to it that same large, powerful institution that can go out and subpena people from the highways and byways all over this country and put them on the witness stand before you. They frame the issues. The defense does not have that fine system of investigation, of which [933] there is none better, than the postal inspection service, to comb out these witnesses, to

make up jackets on them, on their cases, and hand it to a prosecution attorney. I know that because I have been on that side.

Then I want to ask one thing more for you to keep in mind, gentlemen. Can you tell me why, or will the prosecution tell me why, when the major activity of the Ballards was carried on in Los Angeles, as they say, where we spoke to thousands and thousands of people here and hundreds and hundreds of classes, why do they bring people from all over the United States and just a few witnesses from Los Angeles? There are two notable exceptions in this case where local witnesses are produced. One is Mr. Stover and one is Mrs. Adams. Those are the two notable exceptions of witnesses taken from Los Angeles.

By the way, I want to stop a minute on Mrs. Adams lest I forget. That is the lady that you remember who said she voluntarily appeared in this case, the other day in the hall spoke to the Government counsel and said she could testify in the case—not under subpoena. Then she said she went to this meeting where Mrs. Ballard, before thousands of people, pounded on the desk and said, "It is my pie. I am going to eat it because I like it."

That same witness, gentlemen, is the woman who said she went there—and I am quoting now—"to this meeting and made a donation in the belief that I am going to get it back in kind in direct proportion as I gave, more than I gave with interest."

Do you want to tell me you will send people to the penitentiary on such kind of testimony?

Now this man Stover is the man who testified he was a devoted follower of the Ballard for years and one night after a class he was in the music room at the Shrine Auditorium and that he overhead a conversation between someone whom he does not know. He said he did not take the trouble to see to whom Mrs. [934] Ballard was talking. He could not recognize the voice again if he heard it. He said nothing about the conversation for about four months after it occurred. Then he told it to someone who left the movement. The primary part, he said, was that something was said about "the larger the crowds, the greater the income."

Such a statement was supposed to have been made by Mrs. Ballard to someone, so he said, who was earnestly a follower of the Ballards; a fact which of itself shows it is improbable.

The witness voluntarily appeared at the office of the United States attorney and offered to testify in this case after this case had begun, and up to the time of hearing that conversation *she* was a devoted student. How do I know? Because he testified, gentlemen, that on that very night when he heard that conversation, "I was in the music room arranging a number in the way of a tribute dedicated to Mrs. Ballard," and Mrs. Ballard was supposed to have told this person who was a follower of theirs, a devoted student, "The bigger the crowd, the more money."

I say, gentlemen, if such a conversation occurred to a devoted student when those classes were then being attended by the thousands, that Mrs. Ballard ought to be acquitted on the grounds of insanity if she was engaged in a scheme to defraud. It is a fabrication pure and simple—not pure, but at least simple.

What about this movement? What kind of people does it produce? I want to call your attention to the people that went on the witness stand on both sides of the case, the I Am students. They are positive! They are clear! They have self-respect! They sit on the witness stand and testify in a manner such as you men have never seen witnesses testify before. Has that movement done anything for them? Do I condemn some of these people because they have fallen away from this particular movement? I won't hurl an accusation to the effect they are liars, prevaricators, and perjurors. Why, no! The most devoted people, gentlemen, often- [935] times have their moments of doubt. Jesus Himself had his moment of doubt when He was in the Garden of Gethsemane, knowing His divine mission. He knelt before His father and asked His father if it was possible to allow this cup to pass from Him, pass by Him, without His drinking it. He sweat drops of blood because of His momentary weaknesses. Peter who saw manifestations and miracles of the Savior such as none of the rest saw in a moment of doubt, in a moment of misunderstanding and weakness denied his Lord

three times. These people here who testified against us, I think, were earnest and sincere. Everybody admits they were when they were in the movement. They have had their moments of doubt, and those moments of doubt have finally turned into bitterness against the defendants, but I don't call them perjurors, prevaricators, and liars. We can show you here, gentlemen, all of these witnesses concerning whom you have no doubt as to their sincerity and belief and who at the time, when there was no reason to mislead or misrepresent, wrote letters out of abundance of their feeling as to what had occurred to them. You look at the defendants' exhibits lettered in this case from those various witnesses. I don't condemn them for another reason. Anybody who has ever tasted the sweetness of the experience which Mrs. Ferguson or which Mr. Ferguson—Mrs. Ferguson said it wasn't she; that it was her husband that wrote this letter—but Mr. Ferguson sat in the courtroom, and they wanted me to tell what page that was on yesterday. It was page 4480 of the transcript.

Mr. Lazarus: The only testimony in this case was that of Louise Majerus who said Mr. Ferguson was in the courtroom. There is no testimony in this record to otherwise show that Mr. Ferguson was in the courtroom. I think Mr. Cannon should be corrected in that respect.

Mr. Cannon: I will read the transcript, gentlemen. She is under oath and she testified to it several days ago when the [936] Government had a

daily transcript of it. They could have gotten her back here. They are spending your money and my money to bring these witnesses from Miami, Florida, of the type of Wilbur Curtis Smith, and all the way from Seattle, Mrs. Fowler, and Miss Majerus testified several days ago under oath this way:

"Q. Do you know, Miss Majerus, Mr. and Mrs. Ferguson of Chicago?

"A. I do.

"Q. You were here when Mrs. Ferguson testified?

"A. I was.

"Q. Did you see Mr. Ferguson here then?

"A. I did.

"Q. In this courtroom?

"A. Yes."

But they put Mrs. Ferguson on the stand, gentlemen, and when I would get her with a letter that looked a little bad for them, according to their theory of the case—I don't think it looked bad at all—then Mrs. Ferguson jumped back and forth and said, "Oh, it was my husband who wrote that." The same thing happened with the Mr. D. D. Fowler letter. There was a letter here that I wanted to get into evidence, and which I finally did, addressed to Mr. D. D. Fowler, not Mrs. but Mr. D. D. Fowler. Oh, her husband's name was different than D. D. Fowler. She had an office in the Orpheum Building, and this letter I produced went to the Orpheum Building addressed to Mr. D. Fowler. She said, "I didn't get it. It went to someone

else." That is the type of testimony we have in this case, gentlemen. I will stop a moment or two.

Speaking of these persons, I say who have had a transcendent experience such as Mrs. Fowler spoke about—even though she is bitter now—and have tasted for even an instant the things of which she wrote at this time, has been compensated, [937] gentlemen, beyond measure and beyond price.

William says this for the Fergusons (this is the one she said she knew had been written, but her husband wrote it. I confronted her with that):

"Tuesday, April 1, 1935.

"* * *

"The outpouring of DIVINE LOVE, POWER, AND WISDOM on those blessed students of THE LIGHT in Toledo was and is nothing less than MIRACULOUS. Greater peace, harmony, and acceptance could not be manifest than was there. The place of meeting, the care for our comfort and all were all PERFECT. 68 were qualified to enter into the fellowship of THE ASCENDED MASTERS—it was GLORIOUS."

"We were most highly blest in having JESUS stand by us the last two nights—HE was seen by three in the audience on the last night —Mrs. Pinkerton" (referring to Mrs. Pinkerton who testified in this case) "was one who saw Him. And Mrs. Ferguson and I were seen to be encompassed in the golden light at the same time. We hope you saw it too."

This occurrence happened.

Now, I say people who have tasted for even an instant in times of sorrow or distress or exhiliration or happiness or the ordinary walks of life have a faith, gentlemen, in the efficacy of belief of a higher being, those people are compensated beyond money and beyond price.

Did the Ballards hypnotize her to say that? Did the Ballards hypnotize Mrs. Pinkerton to say she was in the audience and she saw Jesus? And how else would the Fergusons know except what Mrs. Pinkerton told her?

Then again on May 7, 1935, this same witness writes: [938]

> "A shaft of light shone over us and we were surrounded with a golden light throughout the evening. This blessed one was so shaken with the power that he could not hold himself quiet until a shaft of light shone directly toward him and at its end the glorious Saint Germain—this was responded to by 'Speak Lord for thy servant heareth'—and the light ball at the end of the shaft just in front of him exploded and at once the greatest peace came over him. His joy is beyond bounds. His courage is dauntless and like Peter—I feel sure he will be a great power in bringing C. S. into THE MAJESTIC I AM—he stands as a rock on whatever he knows. And they all have been students of 'Unveiled Mysteries' and 'Teachings of the Masters of the Far East' and have ACCEPTED THEM AS TRUTH."

Now, Mr. Lazarus suggested the other day that we were going to hear a lot of biblical quotations. Well, I am glad he said that. I am a little loath to quote the Bible to you. I won't attempt to quote it altogether out of my own mind—I am no Bible student either—but I am a little afraid to quote it. Therefore, I will read a few passages adverted to by Mr. Lazarus.

The reasons I am afraid to quote it is because of the experience Judge Rush, a well-known lawyer here in Los Angeles, had in his early practice here in Los Angeles.

He said to me one day in San Diego, "Cannon, I never quote the Bible to the jury, and the reason I don't quote the Bible to the jury is because somebody trying a murder case in the state court where you have men and women on the jury, my associate got up and quoted the Bible—they were defending a man charged with murder. He quoted the Bible, this associate of Judge Rush. The jury went out and stayed two days and a half, eleven to one for [939] acquittal. When they finally came in the court discharged them." He didn't hang them, gentlemen, but he discharged them for the disagreement. They had asked eleven to one for acquittal and they stood that way for two and a half days. They asked them why it was, and some lady on the jury, who was the twelfth juror, said, "Because that young man who defended the case misquoted God's holy words." So I never quote it, gentlemen. I read it, and I am going to read you a few passages.

By the way, I want to digress here for a moment. This is the last say we are going to get. Do I hear you say "Thank goodness"? This is the last say the defendants are going to get, so if I miquote this evidence or misstate the evidence or misquote these matters I am going to advert to, I want you to ask me about it. I want counsel to ask me about it, and I want the Court to ask me about it if he feels disposed.

Now, Mr. Neukom said at the beginning that this wasn't going to be a heresy trial. I really hoped not, but Mr. Lazarus' argument, it seems to me, brought this case into the category of a heresy trial. I say that in respect to Mr. Lazarus. I say that because of the ridicule and the innuendo which he seeks to draw from these books as to these people's beliefs. My gracious, the best criterion upon which you have to determine the guilt or innocence of these defendants is furnished by the defense. If people like Mrs. Hill, Mrs. Bliss, Mrs. Rogers, even Pat Crouse, Mrs. LaFerrera and these other numerous witnesses, earnestly believed it, gentlemen, when they were with them day after day, sleeping in the same apartment with the Ballards, seeing them on the platform and then they believed it, gentlemen: Would the prosecution have you retroject yourselves back over a period from 1932, testified to by Mrs. Bliss, to 1939, when she was still with them, have you retroject yourselves back and say, "Those things which she heard and which she believed are untrue and not worthy of belief even [940] by the defendants."

Here is another strange thing, too. This is not one of my nine or ten propositions. I am going to give you some others later and number them. Another strange thing, too: All of these so-called incriminating statements that have been uttered like Donald saying his mother was the meanest person on earth, and like this statement that this Pinkerton girl testified to, which her mother said she repeated to her the day after the occurrence, "How long are the people going to put up with this bunk?" I say the strange thing about it is that if those statements were actually made as testified to by the prosecution, why on earth did those people to whom they were made remain in the movement months and months afterwards, and some of them years after those statements were made?

Bear in mind this thing, too: How did this all come about, this prosecution? In 1932—we have it from the witness here, Mr. Pursell—certain letters were written to a Miss Killen. I hope there is nothing suggestive in the name. In those letters certain statements were made with respect to the books that were to be published and money was asked for. Mr. Pursell called for Mr. Ballard, and Mrs. Ballard came in and he had a long talk with her. Nothing was done about it then.

Then the Government, a little later on, dipped—and I don't say this with any acrimony or bitterness—right into our own organization and took out of the organization certain things, interrogated them at great length, people who had the greatest inti-

macy with us—I mentioned them before—LaFerrera, Mr. and Mrs. Rogers, Crouse, Mrs. Terry and the others, and Miss McGinniss, the bookkeeper. Then after that they get an indictment in this case and they charge that Mr. Ballard was never out at Mount Shasta at all. We go on to our defense and Mrs. Ballard introduces letters, the so-called Shasta letters which counsel stipulated with me in the record were introduced in the former [941] trial in partial refutation of the charge then made that Mr. Ballard was not at Mount Shasta. The Government backs away from that——

They grab off those Shasta letters in the former trial and they build up a proposition that they couldn't sustain, and they use it in this case, but the things rise up now and damn them; and after they get all of that, what do they come up with in this case? They come up with these things which Mr. Lazarus says are the badges of fraud: that Donald Ballard was drinking soda pop and reading Popular Mechanics; that Mrs. Ballard had lemonade or orange juice or pineapple juice down before the class that Wilbur Smith testified to; that Mr. Ballard had some trouble concerning which he asked a remedy at Mount Shasta. That is a badge of fraud. That Mr. Ballard was taking laxatives. They even wanted to know the kind, and they told him it was Feenamint. That Mrs. Ballard took a few cough drops in Miami, Florida, which showed that she wasn't a god-like being. That Donald Ballard called his mother "the meanest woman on

earth." Those are your badges of fraud, gentlemen.

Then they say we didn't use the Bible. In one breath they say we didn't use it, and in the next breath they say we perverted it. If they now say we didn't use it, I will just cite to you one instance, and you people take it to your juryroom and look at it. I don't care whether you believe Cassiere or whether you don't. He testified that the one card—and you men examined it and counted the number of scriptural quotations on it—that he made over a period of four or five years. He made some on this trial, you bet your life, and so would I if I was charged with a fraud case. I would make every note I could to help me out on the witness stand. And then I would tell frankly, like Mr. Cassiere did, that he made them for the purpose of the trial. [942] But on the other card that he used for four or five years, you men can look at it, it is in evidence, and it shows the numerous Biblical quotations used.

Their own witness, Mrs. Ferguson—you will remember I took up with her this outline of a meeting that her husband held, and it showed about scriptural quotations, and you had dozens of them on there that Mr. Ferguson used, and I asked if he was following the instructions given by the Ballards, and she said yes.

Now, I am going to quote a little Bible to you. Mr. Lazarus said that I was going to quote a lot of it, but I just want to show you some of the things that he pointed out as being badges of fraud.

so far as these defendants are concerned, I am going to cite enough Biblical citations to meet the Biblical references made by Mr. Lazarus.

He initiated them. They have chosen that battleground of the Bible, and we are willing to meet them on that battleground. They can choose their weapons, they can choose their time, they can choose their place, and we have endeavored to meet it.

I also want to use the Bible because I want to use language which we all can understand, and I also want to use language which I think even counsel will not say is colored by any influence of this trial. I want to take it from an irrefutable source, from the Holy Scriptures, and I want to use them also for the purpose of giving to you generally accepted philosophies of life.

At the time those Biblical quotations were used, or for years afterwards, gentlemen, when they were first uttered—because the earliest gospel wasn't written until 40 years after the passage of the Savior, and that was Luke's—and I say, for years after they were written those things were claimed to be as blasphemous and as untrue and as worthy of death as are these [943] statements here.

Now, one other thing before I mention that again: In using these Biblical quotations, I am doing it in answer to Mr. Lazarus' suggestions, and also because—but with this very distinct understanding, and don't let Mr. Neukom, in his adroitness, let you say that I said that Mrs. Ballard was on a parity with Jesus Christ. She never said so, never has claimed so, doesn't claim so now, nor do I.

Mr. Lazarus first finds fault with Mrs. Ballard's statement that she is a part of the Goddess of Justice—page 4588 in the transcript—I won't read it because I won't have the time, and he just yelled that to the high heavens, because—well, I will, too, read it, just for fun.

He reads from the book:

> "Now while you are standing, I am going to say something to you that may sound somewhat startling to the close associates of the Messengers. The body of this Messenger is a part of myself. The body of your beloved Lotus is a part of the Goddess of Justice."

Then he says:

> "Now, when Mrs. Ballard was confronted by that, she said, 'Well, I am under a particular aura of the Goddess of Justice and thus take on some of the attributes.'"

And he ridicules that to the high heavens.

What about the Bible? Take the 17th chapter of John. Mr. Lazarus may not understand this language, but I understand it, and you do too, as to her being a part and taking on the attributes of these ascended masters.

The Lord at that time was praying to His father. and *he* said this, speaking of His disciples: [944]

> "Neither pray I for these alone, but for them also which shall be on me through their word;
>
> "That they all may be one; as thou, Father, art in me, and I in thee, but they also may be

one in us: that the world may believe that thou hast sent me.

"And the glory which thou gavest me I have given them; that they may be one, even as we are one:"

That isn't so ridiculous.

He next finds fault with the hope held out to these people that one day they should see the ascended masters in a group. Does Mr. Lazarus find fault with the statement in Isaiah, 40th chapter, where it says that when that time shall come all flesh shall see the glory of the Lord together? In Thessalonians, when Paul speaks about those who are alive at the coming of the Master Jesus, they shall be caught up in a body to greet him? Is that a far-fetched idea or philosophy of life? Is that a fabrication? Is it built out of the whole cloth to defraud and delude and deceive these people?

Then he finds fault with the teaching that one should keep to himself those personal experiences that seem miraculous. And I want to read that to you because that is a classic.

He is quoting first from the book. He says:

"It is Jesus' and Saint Germain's request that those whose inner sight is opened refrain from telling others what they see; as each individual is expected to keep his or her personal experiences guarded within each one's own heart as a sacred, silent secret gift to such a student."

Then Mr. Lazarus argues this—I am quoting from page 4641: [945]

> "The reason for that is obvious, gentlemen," so he said. "If you don't tell people what you don't see and you don't hear from them what they don't see or hear, again you think there is something within yourself that keeps you from maintaining complete harmony, and the other students are having these transcendent blessings that the Ballards assured them they can have, but that the students who were not having them just hadn't quite reached the point where they got harmony enough to realize those experiences themselves."

I think that is where he ought to put in this simile about a dog chasing its tail. Do you know what that means? Neither do I.

In one breath he tells you that one of the badges of fraud in this case is that the Ballards perpetuated this fraud by telling of miraculous things, and in another breath he tells you that they perpetuated the fraud by telling other people not to tell them.

Will Mr. Lazarus say that Jesus was a faker because he told the man who was deaf and tongue-tied, after He had loosed his tongue and opened his ears: "And straightaway his ears opened and the string of his tongue was loosed, and he spake plainly and he charged them that they should tell no man"?

Again He healed a blind man and his sight was restored and he saw every man clearly, and I quote:

"And He sent him away to his house, saying, neither go into the town, nor tell it to any in the town."

Again I quote the transfiguration of the Savior:

"And as they came down from the mountain, He charged them that they should tell no man what things they had seen, tell the Son of man were risen from the [946] dead."

And again, about the leper:

"And He put forth His hand and touched him, saying, I will: be thou clean. And immediately the leprosy departed from him.

"And He charged him to tell no man."

Speaking of the little girl that He raised from the dead.

"And He put them all out and He took her by the hand, and called, saying, maid, arise.

"And her spirit came again, and she arose straightway: and He commanded to give her meat.

"And her parents were astonished that He charged them that they should tell no man what was done."

Is that a badge of fraud, to keep those transcendent experiences to yourself? And, after all, a few of these people did tell them.

Now, then, Mr. Lazarus said, I think in rather a contemptuous way, on page 4602, why don't we

produce some people here that have been healed and some people that have precipitated something? We did. They did. But that same thing is eloquent—I am going to point that out in a minute—eloquently pointed out in the Scriptures where the disciples came to the Savior and said: "Show us a sign and we will believe."

If we could have had somebody come in here and precipitate a ten-dollar bill, or something else, why maybe that is the kind of sign Mr. Lazarus wanted. But you have people who actually testified to their healings. Mr. Baxter, the man who was in the civil service, whatever that means—and why they asked that question I will be blessed if I know—that man who was in the civil service, Department of Agriculture, testified that his sight was practically gone from one eye and through the application of [947]. the law he was able to see without his glasses.

Now maybe the law didn't do it, but he sees just as well whether it did or didn't. Is the experience any less real, gentlemen? Is the benefit to Mr. Baxter any less tangible and valuable because he may have imagined it came about through that source? It is just as real to him as could be.

And Mrs. Bliss, and Mrs. Hill, and Mrs. Pinkerton, all testified as to the benefits they had received. And if you don't believe me, let counsel ask me and I will point out in the record, and if you don't believe me, you look at the exhibits we offered in evidence from these people written at the time. They are all lettered, and you can't miss them.

Mr. Lazarus: I ask you, Mr. Cannon, to tell us what benefits were testified to by those various witnesses you named, similar to those set forth in the books relative to cancer, tumors, and other things.

Mr. Cannon: Not that.

Mr. Lazarus: Show me what they were healed of.

Mr. Neukom: I will ask you, if you want a question: You find any witness that the Government produced in this court here that was cured of all the diseases that Mr. Lavett, the woman who didn't know what hypochondria was. [948]

Mr. Cannon: I am glad counsel mentioned that. She is the woman who was the mother of seven children, who got on the stand and told about the things that had come to her. She had four children, I think, when she first came into the movement. She had a lot of ailments. There was a string of them as long as your arm. And she said that through her study of the law and the application of the principles she was made well from them. She believed it.

She then went to work and had three more children, as I remember the number. And she still was all right. And then counsel asked her, with a contemptuous smile, "Do you know what a hypochondriac is?"

That thing is just as real to her as your arm is to you.

And do you mean to tell me that Mr. Lovett didn't believe, and doesn't believe, that his Mighty I Am Presence stopped his car from going into the ditch on the way here? Why even the callousness of coun-

sel for the prosecution I think would say they didn't believe he didn't believe it.

And if people believe those things, if people can find in this thing some solace, some reason for existence, and have it for only a few minutes, it is worth a lot. People want things to hold to, gentlemen.

I will point out their star witness' statement with respect to herself.

May I have Mrs. Bliss' "Unveiled Mysteries?"

(The volume referred to was passed to counsel.)

Mr. Cannon: I was going to do this at another place in the argument, if you can call this an argument.

Mrs. Bliss. This is the book that she herself produced here, the first edition of "Unveiled Mysteries." It has some glorious things written in it in her own handwriting. I don't [949] condemn her for it. They are glorious things. And here is one of them.

She underscores it in purple ink, speaking of this precipitated drink.

> "It (speaknig of the drink) is subject to our conscious control and direction, willingly obedient, when we Love enough, (and she has underscored that) because all the Universe obeys the behest of Love. Whatsoever I desire manifests itself, when I command in Love. I help out the cup, and that which I desired for you appeared.

"'See! I have but to hold out my hand and, if I wish to use gold—gold is here.' Instantly there lay in his palm a disc about the size of a ten-dollar gold piece.

"'I see within you a certain Inner understanding of the Great Law, but you are not outwardly aware of It enough to produce that which you desire direct from the Omnipresent Universal Supply. (Now she has marked the rest of this, Mrs. Bliss has, that I am reading to you) You have desired to see something of this kind so intensely, so honestly, and so determinedly, it could no longer be withheld from you.'"

And Mrs. Bliss writes, in her own handwriting: "So did I and it was not withheld."

Tell me she didn't get benefits out of it!

There are a lot of lovely things in here. I want you to take it into the jury room and look at it. Some of the things she has written in here in her own handwriting. And this is where the Government didn't want to admit that it was her handwriting, and I was going to call a handwriting expert, and then they finally admitted and said, "Yes, she wrote it." [950]

She writes here, in her own handwriting:

"Gold is the precipitation of the great central sun. Gold is a symbol of Christ, the essence of the great central sun."

Then she writes again:

"Keep your face to the sunshine and the

shadows will fall behind you. Never go ahead of God. Wait upon the Lord. Your needs not your wants (and she has underscored the word "wants") are granted unto you."

But let's hurry along.

Then Mr. Lazarus apparently forgot about saying, why didn't they precipitate this gold? Why didn't they do thus and so, rather than get some money from these people? I would like to read you his language, and I will if you want me to. He asked why they didn't precipitate the gold and get everything from the universal presence if they could do all these various things, and he forgot, apparently, that glorious passage of the Savior with respect to the grain of a mustard seed when Mr. Lazarus read: "You can precipitate this gold when once that foolish questioning doubt has been removed." That was in the books.

And the Lord said the same thing virtually, and I quote the Bible:

"Then came the disciples to Jesus apart, and said, why could not we cast him out?

"And Jesus said unto them, because of your unbelief; for verily I say unto you, if we have faith as a grain of mustard seed, ye shall say unto this mountain, remove hence to yonder place; and it shall remove; and nothing shall be impossible to you." [951]

Then Mr. Lazarus, speaking of the ascension, reads "The Voice" magazine in a rather—I think

a very sneering sort of a way—and he said this, speaking of the ascension about the gravity of the earth:

> "* * * the gravity pull of earth can no longer affect it. The body rises in the atmosphere and follows the thought, going instantly wherever the individual desires. By proper application the individual can release into and through his body the Light needed to increase the vibratory action to the point where the body can rise into the air and become invisible or visible as the Ascended Masters are able to do."

Then Mr. Lazarus, to cap that climax, turns to Donald and says:

> "That sounds as though it came from Donald Ballard and his Popular Mechanics."

Not at all. It came from the Bible. I can read it to you.

> "And while they looked steadfastly toward heaven as He went up, behold, two men stood by them in white apparel;
>
> "Which also said, ye men of Galilee, why stand ye gazing up into heaven? This same Jesus, which is taken up from you into heaven, shall so come in like manner as ye have seen him go into heaven."

It is also taken from the Old Testament, not from Donald Ballard and his Popular Mechanics.

In the Old Testament, speaking of Elisha and Eli-

jah, Elisha asked Elijah to come to him twice or thrice, speaking to the spirit that Elijah had and Elisha said something to the effect that if you see the light as I lead you, or something, you will know it will be a sign unto you that my spirit [952] will be multiplied in you.

Then it said in the Old Testament, in II Kings:

> "And it came to pass, as they still went on, and talked that, behold, there appeared a chariot of fire, and horses of fire, and parted them both asunder; and Elijah went up by a whirlwind into heaven."

Then about passing through solid substances, he ridicules that. I call your attention to the 20th chapter of Matthew, where you remember the Lord, after His resurrection, after the resurrection of Jesus, came into the supper room when 10 of his disciples were present, and the gospels say very distinctly "The door was shut and Christ appeared to them. He showed them His body, and told them to behold His resurrected person." And Thomas wouldn't believe that which they told him about it, so in the chapter, the 20th chapter of Matthew—this is about passing through solid substances—again when Thomas was present the writer of the gospel significantly says again, "And the door was shut and the Savior appeared to them again and told Thomas to feel His hands, the prints in his hands, and the wound in His side."

Next Mr. Lazarus speaks about Mrs. Ballard having a common cold, and he speaks of this nearly ascended person having a common cold and having to have some lemon juice or something, and he says this:

> "* * * it is fraud when Mrs. Ballard collects love gifts and sells books on the basis of a formula such as that, among other things, and at the same time herself realizes that she, the accredited messenger of the ascended masters, is subject to such a common ailment as colds."

Why the Lord himself, the Lord Jesus Christ, as an im-[953] mortal being, or as the Son of God, hungered and was weary and wept.

Does that take from his divinity at all? And bear in mind this passage too, gentlemen, which I must advert to—Mrs. Ballard has never claimed perfection. The books have said with respect to the law that no mistakes were made, but Mrs. Ballard never claimed perfection at any time, and the Savior himself didn't claim perfection at the beginning because:

> "Though he were a son, yet learned he obedience by the things which he suffered;
>
> "And being made perfect, he became the author of eternal salvation unto all them that obeyed him."

It is a matter, as Mr. Boerrigter said on this witness stand, of learning the law step by step, and when he arrived at that stage spoken of in the books.

that all questioning doubt is gone, then nothing shall be impossible to him.

I can't help but just remarking here for the moment, as much feeling as we have in this case—and we are all tense on it; there is no question about it; it takes something out of a person to try a lawsuit like this. You men have worked at it a lot, but we get paid for it, you men don't—very little. But it takes something out of a person to think that through something you may do or fail to do somebody's liberty may be jeopardized. But I say no matter how partisan we become, it doesn't seem to me that we are justified in speaking irreverently of things that have some real significance, real sacredness, to people. Mr. Lazarus rather ridiculed the idea that Mr. Cassiere should say he didn't want anybody to touch that book of his. That, to your minds, might be foolish. It may be altogether foolish to think that somebody touching one of your books would contaminate it. Now, I am not so sure it is foolish. We all know there are sacred things in the various churches that have [954] a certain significance to you that you don't want handled by people. Mr. Cassiere resented it. Mr. Lazarus rather felt contempt for him in that and he picked the thing up, I don't say you should turn these people loose for that, but I say partisanship in a case doesn't go that far.

Then he speaks of the Lord Jesus Christ in this language on page 4638 of his argument, that "Jesus

was made the prime book plugger for the Ballards." I say that is blasphemy.

Now, I am going to just lay down a few propositions. These are the ones I was going to number. I am going to be brief, too. I want the prosecution to explain to you, if they can, the utter falsity of Max Gysi's statement that he created the phrase "The Mighty I Am Presence." If they don't think he said that, I will point it out in the record. He testified he coined that phrase and the way it was set up, the way it was printed.

I also want them to explain to you, if they can, Mrs. Bliss' attempted corroboration of that statement, that she did not hear that phrase used at any time until after the Ballards left Chicago in the fall of 1934. Now, have them explain that to you, if they can, in the face of the Killen letters, Exhibits 119 and 120, dated May 5, 1933, and July 6, 1933, and the letter to Mrs. Bliss herself where the phrase was used exactly as printed in the books, on August 21, 1933. That is my first proposition.

My second one: Have them explain to you, if they will, the utter falsity of Dr. Cottam's testimony as to his having suggested Christ being in this picture. Dr. Cottam said, "When I went to their lecture I told Mr. Ballard"—I am paraphrasing—"I told him, 'Here, you are in a Christian country. You had better put Christ at the head of this or else you won't get very far.' "

"I never heard," he says, "I never heard before that [955] date the name of Christ used in the lec-

ures, never had seen his picture on the stand, never eard any reference to him at all."

He said—and I wanted to get that definite, so ou remember I pinned him down to the exact day e first contacted the Ballards, lectures or otherwise, nd he said May 2, 1935. Now, I ask them to ex-lain it to you in the face of these facts: In the ace of Exhibit 96 introduced by Max Gysi—luckily t is dated; it is April 21, 1935—which is the pamph-et with respect to selling the Jesus pictures that he made so much fuss about; and also in the face f Exhibit 97 of the same date, April 21, 1935, be-ore Dr. Cottam ever heard of them. Jesus was in he picture because they were selling his pictures.

Then I also ask them to explain the falsity of Dr. Cottam's statement in the face of Exhibit J. That vas the pamphlet that was gotten out and published howing that Dr. Cottam was going to talk on raneology, whatever that is, on May 7, 1935, five lays after he first met the Ballards; and on the ack of that, strangely enough, three books are ad-ertised as having then been published, already ublished by the Ballards, "Unveiled Mysteries," 'The Magic Presence," "The I Am Discourses." There is the picture in that published book before Dr. Cottam ever met the Ballards at all. (Exhibit-ng picture) Yet he injected the whole thing in here. He got up and solemly swore that the next ime he went to a lecture he saw the picture of esus on the stand which was the small one. He aid, "You better get a big one," and sure enough,

the very next time there was a big one there. Why, it is ridiculous!

Now, ask them also—this is my third proposition—about their failure to produce Mrs. de Carranza, the lady who painted this picture of Saint Germain, but only her daughter. Also ask them how it was that Mrs. de Carranza identified the [956] picture I showed her which had been shown since 1899. She said it was the same picture. I want to read you a little bit of her testimony, because I think it is illuminating. I won't bore you long, I hope.

When they asked Mrs. Shinn about her mother, Mr. Neukom or Mr. Lazarus—whoever it was that talked about her mother—said, "She is an old lady, isn't she?" Why, I expected her to come in here on crutches and we would have to wheel her in. No! she was pretty spry and pretty smart. They didn't produce her because—well, I don't know why. She lived out here on Third Avenue for 13 years. It didn't take me long to dig her up and I am not smart, either.

I showed her this photograph and asked her this question:

"Now, when did you first see this picture, though, that I am showing you a copy of?

"A. The very first time I see a mental picture and I paint it from my imagination."

"Yes, I painted it from my imagination and I got those letters from the Egyptian letter, Latin sentences.

"Q. Oh, you didn't put those characters back of the picture except as you copied them from some book, is that right?

"A. Well, I know them. I know them as Rosicrucian and I had the idea to write it here. It was pretty to put those things around.

"Q. It was pretty to put those things around?

"A. Yes, and that thing on the top."

That is the scroll. I am coming to that in a minute.

"Q. Did you copy those letters from some place?

"A. Yes, from the Larouse in Belgium, a thick book, the Encyclopedia LaRouse. And I saw those letters and they were pretty and I put them in my picture." [957]

I want to digress a minute. If she didn't see that picture of Saint Germain in that encyclopedia, why, it seems odd to fill in the back of that picture, doesn't it? The whole thing is that that picture was in that encyclopedia. It wasn't painted by her at all.

I am going over to page 4004. Not a word has been said to this lady about Saint Germain in all this examination and she was the first witness on the stand that morning, so she heard nothing about Saint Germain. Then these questions were asked and she gave these answers:

"Q. Who is that man you painted?

"A. Well, I don't know.

"Q. What did you call him?

"A. What?

"Q. What did you call him?

"A. I don't call him the Count of Saint Germain."

Then I asked this question:

"Q. Who told you that these characters were Egyptian? A. In the book.

"Q. When was that?

"A. October 1916."

This is by Mr. Neukom:

"Q. And you thought those letters looked pretty and you put them there beside your picture? A. Yes.

Then I asked her some questions on page 4014:

"Q. When did you first become a Rosicrucian?

"A. Well, when the Society Theosophical of Rosicrucian in Belgium, when I went there first."

Then I skip:

"Q. That was before 1914? A. Yes.

[958]

"Q. And did you ever see the scroll in the Rosicrucian Society in Belgium? A. No.

"Q. Why do you say, then, that this is a Rosicrucian symbol? A. Because it was.

"Q. How do you know if you never saw it?

"A. I think it was.

"Q. How do you know if you never saw it in the Rosicrucian? A. What?

"Q. Do you understand my question?

"A. No, I did not see it.

"Q. You say that this scroll at the top of this Government's Exhibit 201 is a Rosicrucian scroll, is that right?

"A. Yes, or an Egyptian, because the wings are Egyptian in the center, the cross in the center is Rosicrucian.

"Q. Now, when did you first see a Rosicrucian cross?

"A. I never seen it. I don't know. I don't remember. When I paint that, there was nothing in front of me and I painted it on there."

Then I asked her again:

"Q. Where did you get the scroll and the cross from?

"A. I don't remember. I don't know. When I painted it, I have not anything in front of me. I have not that in front of it. Maybe I invented it. I don't know.

"Q. I am talking about this scroll. Where did you get that?

"A. I don't know if I saw it some place or I invented it."

Mr. Cannon: Now, gentlemen, bearing in mind that the prosecution has the burden of proof in this case, and by that [959] I mean the necessity of

establishing this case, the truth of these charges beyond a reasonable doubt before you can find them guilty, would you prefer to take that testimony of Mrs. de Carranza or would you prefer to take the testimony of Mr. Sindelar, his explanation of his putting those characters back of that picture, to the effect that Mrs. Ballard told him that, that the information was that characters of that kind always appeared back of the ascended masters in theosophical work?

Now, my fourth proposition is to ask the prosecution to explain to you the presence in this courtroom of letters produced through Mrs. Terry from the personal confidential file of communications of Mrs. Ballard to her son and to her daughter-in-law, and I ask that in conjunction with the next two propositions I am going to ask them to answer for us, and particularly do I make the inquiry with respect to those leters which Mrs. Terry produced addressed to Donald, "Dear Donnie," from Mrs. Ballard and the other personal communications, and ask you this simple question: Were those letters extracted by Mrs. Terry for some ulterior purpose? Were they kept here by her all of this time and then produced in court for some ulterior purpose and in some attempt to justify, if it can be justified, these clandestine midnight meetings of Marjorie, Donald's wife, and Pat Crouse, the confidential, close personal friend of Mr. Ballard?

Furthermore, I want the Government to show us, if they can, even the slightest kind of evidence of

Donald's extravagance or spendthrift ideas at any other time except when he was living with Marjorie Ballard, who was eight years his senior, and when his personal mail was being perused by his mother-in-law and extracted and held here for the prosecution. That is when the extravagance occurred, gentlemen. Donald married her when he was 18 years old, and yet Mr. Lazarus will tell you, [960] with a big fanfare, that he did it out of righteous desire because Saint Germain commanded it. It is a fabrication, gentlemen.

Now, I also want them to explain to you the presence here of those secret, confidential files extracted by Pat Crouse. Where did they come from? If Pat Crouse was the paragon of virtue that they would have him appear, where did he get them? Why did he take them out of Mr. Ballard's files or Mrs. Ballard's files and produce them here in court? Would you men want your valet or your secretary or your associate to take things out of your files, incriminating or otherwise, and hold them back for some purpose and then produce them some time later on an income tax evasion or something else?

I ask those last two propositions particularly in view of the fact that I would like the Government to explain to you and to me the absence of some other important documents. They used some extracts here from documents received from Pat Crouse and from Mrs. Portia Terry that, as I say, have been purloined in a secretive sort of way and don't produce a thing about the financial records

and reports of classes that Mr. Mundy testified were sent to the Saint Germain Press after every class and to the auditors in Chicago after every class. Why don't they produce those records? They don't produce those records because of the fact those records are in an audit that show expenses, too; but no, they just produce the receipts. We could all be wealthy if we hundred percented everything that came in. They don't produce those and Mrs. Mundy testified here that she made those reports and sent them to the auditors in Chicago, also the Saint Germain Press, but they don't produce those at all.

Then Mr. Neukom says, by way of argument in some interruption that occurred yesterday morning, that they didn't [961] have those books except for 1938 or 1939 after the companies were incorporated. What about the Donnelly books? They can't sell more books than were published. Mr. Callahan himself testified that he went to Chicago, talked to Donnelly & Company, told them what he wanted in the way of records from their files as to what books were published, and so forth. Then he said they sent them out here. To whom? They sent them out to the United States Attorney's Office. The United States Attorney's Office—Mr. Neukom and Mr. Lazarus—so his testimony was, turned them over to the F. B. I. and the F. B. I. made an audit of those books. Where is that audit? They get up here and talk about fancy figures, that ratio of 10 to 1 and 1 to 10, whatever suits his purpose. Where in the name of heaven he ever got that, I don't know. He

showed, anyway, that they had some 3 million people. Well, divide that by 10, and some way they get $1,800,000. They can't sell more books than have been published. Have them answer that for you, will you, or for me?

Then I asked Mr. Callahan the very frank question, "Did you see that F. B. I. report or that audit?"

"I don't think I did."

"Will you say you didn't?"

"No."

That is what he said. He said it twice. They don't want these audits in here, gentlemen, because of the fact the whole fabric of this case will go to pieces—the whole fabric will go to pieces, whatever there is of it.

Let me ask you bankers this: They say that after Mrs. Ballard's arrest they saw certain books of hers up here and those books were on metaphysics. Those are the books they seized after Mrs. Ballard's arrest.

You men who know anything about investigating agencies, particularly Government investigating agencies, are they going [962] to be satisfied with grabbing metaphysical books? They will go to their books. They will go to your books. They will go to all of them and dig them out from the ground up, and you can bet your life they did it in this case. They will dig up the income tax returns, too—and they did it in this case. How do I know? They offered Paul Stickell's. The very worst year they

had, apparently, was Paul Stickell's one year, $7500, in the way of love gifts, and so forth, and the Government allowed them a deduction, an allowable deduction, of $5500, and that is the tremendous profit they talk about, $1,800,000. "Will a man sell his soul for a mess of pottage?" Let me tell you if they didn't have those income tax returns in their files, they are derelict in their duty.

Then they will say we didn't open up these defendants for cross examination. I threw the bars down so far as Mrs. Ballard was concerned and I asked the other people questions that they could answer, and I will ask you men if the Court didn't let them ask any questions they wanted to ask of these defendants, even with Donald, and if those defendants' testimony was circumscribed, it was my fault because this case, gentlemen, had to end some time. I want to be young enough to get out of the courtroom without having to crawl out. I circumscribed the testimony.

We have Donald's statements in writing. We have Mrs. Ballard's statements in writing. We offered Betty Mundy's testimony about financial reports from beginning to end. Paul Stickell, William Cassiere and Louise Majerus were all asked about their financial interest, but the Government laid back and wouldn't ask them, wouldn't offer in evidence those things which would damn them if they made these tremendous profits. And believe you me, gentlemen, if they hadn't rendered an income tax return to the Government and if the Government

didn't [963] think that income tax return was right, they wouldn't be in here on a mail fraud charge; they would be in here on something else. You ask them to explain that, the presence of the Crouse letters, the Terry letters, and the absence of the records.

Then, furthermore, Miss McGiniss—yes, they talked to our bookkeeper. Mr. Callahan said he talked to our bookkeeper in Los Angeles, the woman who kept care of our books back there in Chicago. They don't put her on.

Now, then, I come to this other thing which I think has no place in the record, but I guess I am wrong—the Court held so. I am referring to those Shasta letters. I am really glad they went in now. I might say that this is once I am glad the Court held I was wrong.

* * * * * * *

Now, these letters were written at the outset—and this is when the scheme was supposed to have started—written by a man to his wife, confidential letters which they didn't think would be profaned by other eyes and certainly not brought into court where one of the parties was charged with a criminal fraud. Listen to this language. He talks about the most mundane things and about the wonderful experiences he has had. The very fact he talks about ordinary things like hemorrhoids, Montgomery-Ward catalogs and building a house stamps them as being written not by a nut. They are things that you

would write to your wife about and things I would write to my wife about—and here is what he says:

> "I wrote you yesterday"—this was in 1930—"I went to the Doerrs' house last night. They want me to come to their house and take a room at $4 a week. I could not make up my mind then and there so I got home at 12:00 p. m. and I was ready to retire, sat in meditation a few minutes that the healing [964] current might go forth to you, and as I finished, like a flash I knew"—and he underscored that—"I was to accept the room at the Doerrs. On awakening this morning my call I have waited for 30 years came not by sight or hearing but I just positively and certainly knew and was asked 'Are you ready to serve where you are directed?' I said, 'I certainly am ready.' 'Then take the room and serve where you are almost ready to refuse, and according to our joy and poise in circumstances will the time be reckoned.' I said, 'I joyfully accept.' "

Was he trying to flim-flam and defraud his wife? The same letter:

> "I feel as never before. Be of good cheer. Our waiting has not been in vain. Our reward of Light and Wisdom is at hand. I plead with you, conserve your energy that the writing intended may be given forth through you. Feel now and forever that eternal peace and poise. I speak for the Mighty Ministering Host. I shall do joyfully what appears before me to be done.

And I know that *know*, will come the financial help which we need. The sentence in your letter 'wherever we are, we are the guests of God,' is one of the Mightiest Truths ever spoken. It is like the Elixir of Life.

"Henceforth I will make a record of only the joyous experiences that speak of God manifest in the mind and Heart of Man."

I could read all of these, but I am only reading one or two excerpts.

He speaks of her again that same year:

"You can be sure in the invisible it is all [965] worked out now. (speaking of the house he was going to build) How glorious that would be, to live out there all winter in that glorious quiet, having the supply all in, the staples I mean." Just ordinary things.

"It is like a whole new activity was taking place in my brain. Well, our life and affairs are now under perfect Divine Order. So be it."

And again:

"His Highness says (Mr. Gilbert read this) when the first book begins to get into circulation, I will be wise to change from here, for immediately people will begin to come here quietly to try to find out who Ray is, knowing it was written in this locality, but he said that should not be changed."

Then I read something that Mr. Gilbert didn't read:

> "He says after the books are out for six months then that frantic desire to find Ray will subside to a large degree."

Then speaking about the part that Mr. Lazarus read where he connected it up with the books and showed what a lot of hokum it was, about the Amazon trip, Mr. Lazarus read a part and I am going to read the rest of it because I think it is significant and shows what Mr. Ballard felt. He may have been mistaken in what he honestly believed or he wouldn't have disclosed it to his wife.

> "I have been held so steady at the typewriter, haven't had a minute to get a word to you. I am now underground on the Madeia, branch of the Amazon, and I have just taken down three typed pages of the most marvelous words ever uttered, it seems to me, by the [966] Being who officiated there sixteen thousand years ago. I think this is the place once intimated to us. I began this morning and didn't stop until after three, didn't dare to stop lest I lose the connection. It is simply marvelous."

Now if that had been written to some one of these so-called people who were misled, why there may have been something to talk about, but it was written to his wife.

Then I want the Government, as another proposition, to explain to you the writing of the letters

by Mrs. Ballard to her own son, "Dear Donnie: Make your peace with your own Presence and with Saint Germain." That was for his own eyes, not for some one else's eyes. She pleads with her son like you would plead with your son or I would plead with my son.

And I want them also to tell you; if they can, why it was that if this is all a fake and a fraud, that Mrs. Ballard writes such letters to her son; why it was that Mr. Rogers taught the principles to his children at their own fireside; why it was that Mr. Cassiere bought a book and sent it to his wife. As the Lord says:

> "Or what man is there of you, whom if his son ask bread, will he give him a stone?
>
> "Or, if a fish, will he give him a serpent?
>
> "If *he* then, being evil, know how to give good gifts unto your children, how much more shall your father, which is in heaven, give good things to them that ask him?"

Now the prosecution, if they can answer these propositions that I have laid down to you gentlemen, can give you a satisfactory answer to them so that you will believe beyond a reasonable doubt that these men and women are guilty of this offense, then convict them. But don't you come back with a [967] compromise on any one or all of them, I hope. If they can explain those things, then I want them to explain them and I want you to apply as a criterion of faith and belief, Mrs. Bliss' activities.

She was never indicted. No breath or suspicion is against her for entering into a conspiracy to defraud. No suggestion is made that she was engaged in any scheme to defraud. They vouched for her integrity and her honesty by putting her on the witness stand, and the Court will no doubt so instruct you.

And what did she do? She was with the organization before many of these defendants were. She met Mrs. Ballard on September 12, 1930—and I am epitomizing her testimony (and I have the pages for it too)—she met Mrs. Ballard September 12, 1930, and was connected with the movement from its inception until April 9, 1939.

The class met in my home every Wednesday evening and I attended one every Tuesday evening and every Friday afternoon in Riverside and one in the Ballard home each Friday evening. I invited the Ballards to utilize my home for classes.

I heard the first three books read in manuscript form before publication and never missed any portion out of the books and have never seen anything in the books that I had not previously heard in manuscript form. I recall that Mrs. Ballard sometimes read a seeming mistake or something that she corrected, and heard her say, "Daddy, this should be thus and so," and so on.

I remember the discourses in Chicago pertaining to the precipitation of gold.

Ultimately appointed a messenger in the move-

ment, a full messenger of the Light, to quote her own appointment.

Had implicit confidence in the teachings until I began [968] to have serious doubt about December 1938.

Taught similar principles to those taught by the Ballards after I became a messenger on September 28, 1934, and attended classes in Chicago, Cincinnati, Detroit, Dallas, and Los Angeles.

Started a group in Chicago.

Had full knowledge of the meaning of the chart.

Heard representations as to ascension of people although never saw anyone ascend.

Was an appointed messenger, along with Paul Stickell.

Established a reading room on September 26, 1936, and continued it in operation until she left the work in April 1939, although she previously said, "I began to have serious doubt in December 1938."

She sold charts for $15, sold books and other insignia.

She received a percentage from the sale of the books and certain love gifts.

Her appointment as a messenger gave her authority a little greater than the group leaders.

And yet she is not charged here.

And so, gentlemen of the jury, our task of the defense is finished as best we can. We may not have carried this movement very well, but we have done the best we could with our limitations and

with the nature of the charge that we have to meet.

It is unfortunate that anybody should be charged in a court of law with a crime of this character and kind.

Speaking a little bit about experience, if you men know anything about mail frauds at all, you know it is an unusual thing in a mail fraud case to accept on a jury men of the business pursuits of many of you gentlemen——

The Court (Interrupting): Please do not leave the [969] courtroom until the adjournment. It disturbs counsel in his argument. We will be through in just ten minutes.

Proceed, Mr. Cannon.

Mr. Cannon: Thank you.

It is an unusual thing to take men on a fraud case who follow the general pursuits of you men, many of you. I tried enough fraud cases to know that. The reason is that where you get into a so-called commercial fraud, as the Government would have you believe this was, you keep bankers off, you keep insurance men off, you keep a lot of oil men off, particularly oil men of big companies, and things of that character and kind because when you get into a large figure, where people have taken large sums of money out, sometimes people become prejudiced about it.

But in this case, when people come to you with the simplest kind of a defense, and the only defense that is justified in this or any other case, that of

absolute truth, when they are willing to meet the Government on the issues they themselves laid down, and meet them as best they can; and I ask you, if this was such a gigantic fraud, why haven't they brought up to you in this courtroom people from Los Angeles, whose background can be checked, who can be checked as to their movements and things of that kind, rather than drag them in from all over the United States. And, of course, we had to meet them the best we could.

If you gentlemen come to the conclusion, after hearing the evidence and these arguments and the instructions of the Court, that these people have been guilty of this base, rank, black fraud, then the way is clear to you, your obligation is to convict them; but if, on the other hand, you find that either the defendants have established their innocence, which they are not required to do, but if you find that the Government has failed [970] in any material respect to establish that case against them beyond a reasonable doubt, it is your duty to acquit.

And with that statement we are willing to leave it with you, gentlemen. [971]

CLOSING ARGUMENT IN BEHALF OF THE GOVERNMENT

Mr. Neukom: Gentlemen of the jury, your Honor and counsel for the defendants: It seems quite in form here to express gratitude for the services that

we are all rendering. I wish to thank you, his Honor. This has been a very orderly trial. I wish to thank counsel for the defense for the manner in which they have acted. I wish to thank Mr. Cross, the clerk. I wish to thank Mr. Eddie Drew, the bailiff. I wish to thank George Boshae, the bailiff, and I wish to thank everyone who, as good American citizens, have contributed here in times such as this that we may approach this matter in the manner in which we have.

Gentlemen, let's strip this case of everything else except just one thing, and that is good common sense. Let's come down to earth and talk horse sense, and that is all you need to do. When you are bothered with anything like reasonable doubt, presumption of innocence, all those phrases, just apply the good common sense that you use in any important affair. We will be satisfied. The defendants should be satisfied. That is the requirement of the law.

Counsel—and I don't blame them; I probably would be doing the same thing if I were defending—have asked me 12 questions. Why? He would like to get me off quibbling over certain little incidents, collateral matters that haven't anything to do with the issues in this case just so I will stay away from the issues of the case. I am happy, gentlemen, despite the talent, despite the ability, despite all that has come to you in the last six hours of argument—I am happy that we have evidence here, factual evidence. Nothing was read out of the Bible, from

these books, excepting a few isolated passages. They make much ado out [972] of reading out of the Bible. They talk to you about Jesus and His miracles. They talk about John and about the other apostles. Did Jesus sell books? Did Jesus make representations to people that were false with a desire to get their money? No. We haven't brought religion in this case. I made you a promise at the start of this trial, and I intend to abide to by it, but it does appear that we are going to have to protect religion, and I believe that there is a great deal to that in this case.

I want you gentlemen to understand that there are a lot of things utilized in defending a case where the evidence is against you. One party talked about the war. This case started before we entered the war. The original case started before we entered the war. The investigation started before we entered the war. Gentlemen, cases of that type will continue on after we have won the war. That has no place in this case.

Persecution of martyrs: Mrs. Ballard and her cohorts, the staff, living in luxury at the Biltmore Hotel, being able to do anything they want to. They are martyrs—martyrs. I seem to smell the must of the catacombs. It seemed to me that they were bringing the rack of the inquisition. They were comparing these people to all the martyrs throughout the ages. Well, I wonder what those martyrs think to be placed in such a category—commercialism.

Gentlemen, remember this: We know our duty and our oath. We recognize that everyone has a free right to worship as they please, to worship and to believe as they please. I believe in eternal life. I believe in faith. We believe in prayer. We believe in those precepts, and because we believe in them we do not believe that they should be prostituted by people who would make misrepresentations, and that is how we approach this.

Crime is no less odious because it is shallacked with a little bit of religion. If that were true, gentlemen, I advise [973] any of you who may want to develop a good scheme to come forth with some idea, be whatever it may, dress it up, put a little astuteness to it, and call it religion. Isn't it strange, gentlemen, these people didn't call this a religion until they got on trial? I don't know what it is. I believe it occupies the category that was intended by the constitutional measure, namely, that people have the right to believe as they please as long as they don't misrepresent and defraud people in their beliefs: but that is as far as they have a right to go, and when they have overstepped that, gentlemen, they must come forth and they must bear their responsibilities.

We didn't write their ticket for them. They chose to do what they did and that is why they are here now. They are here now before you because of their own faults, because they overstepped themselves.

Gentlemen, they would tell you because they don't believe in narcotics that they are wonderful. We

passed it by. They would tell you they are persecuted because they have certain beliefs about their food. We passed it by. They would tell you that we didn't dwell upon patriotism, and I notice that lots of their followers wear the American flag. There is nothing wrong in that. That is a very beautiful thing. But, gentlemen, you don't need to wear the American Flag upon your lapel to be an American. I am not saying that you are wrong because you do, but I am wondering if the words of Sam Johnson, the great literary man, aren't applicable to this situation: "Patriotism is the last refuge of a scoundrel."

Now, gentlemen, I am going to very quickly go to the facts in this case because I think after all you are concerned with the evidence, not in persecutions, not in religions, not in comparisons, not in ideas. You are concerned with whether they believed what they dished out or, as Mr. Peterson quoted to you [974] from the Bible, "By their works ye shall know them." And I am going to quote to you from their works, and there can't be anything more certain than their own works. I don't care if people differed in their understanding of what they heard in these various meetings, but what is in black and white, or purple and white—I don't know what color it is in these magazines—that is what they passed out and that is what they represented, and that is what they are going to have to answer for.

They would have you believe that there is something singular about this case, that it isn't a mail

fraud case? Why, gentlemen, they know that right here in California, in the Northern District of California, about 20 years ago a mail fraud case, in many respects similar to this—and I am only mentioning this because Mr. Donnelly and Mr. Peterson mentioned it; I have a right to answer them on that point—a man claimed he had the Christ power. He put out a book where he wrote a chapter on the life of the I Am. He had healing form letters and he was convicted.

About 25 years ago in California there was a group of people—I think two—prosecuted for mail fraud. They claimed to be the sons of God, that they had the power of Moses and Elijah, that the mantle of Jesus had fallen on them, that they had the keys to the kingdom of heaven. They were prosecuted and they were convicted, gentlemen. There are others. This is nothing unusual. And this is going to be one more on that list, I believe.

Gentlemen, Mr. Cannon asked me to answer some questions. I am going to answer quite a few of them, and I believe he will wish he hadn't asked them; but one in passing, because after all I have to arrange my talk, too. He stated that it was unusual that we brought witnesses from all over the country, witnesses that they had no chance to look into. Of course, that was byplay, gentlemen, because they knew almost every witness we brought in. But let me read you 16 witnesses that came right from this county, [975] most of them from Los Angeles. He

overlooked this when he tried to pass at you that blurb. Mr. Stover, Mr. Rogers, Mrs. Rogers, Mrs. Adams, Mr. Stevens, Mr. Ricord, Mr. Crouse, Mrs. Shinn, Mrs. Portia Terry, Dr. Moor, Mrs. LaFerrera, Dr. Davidson, Dr. Loomis, Dr. Brigham, Dr. Cottam, Col. Bailey. Isn't that an answer, gentlemen? Sixteen people right from this country, and I don't believe there were 30 witnesses all together on behalf of the Government, and he complains. They knew about every one of them, gentlemen.

Mr. Donnelly thought he had me in a corner. I didn't like that one remark from Mr. Donnelly, that he thought I was going to put some pressure on that nice looking lad or young man from around Denver, Colorado, because I asked him if he was with the Civil Service. You know why I asked it? The man had made a lot of statements here about his eyesight and what he had been cured of. I certainly didn't want him to lose his job. I think he is a mighty fine fellow. But I wanted to know, and I could have found out, and he knows it, that if he had taken a medical examination there would have been a record, and if he had been under Civil Service he would have had a medical examination and, gentlemen, that is the only reason I asked it.

I don't even complain about this Mrs. Kelly, who could come to Los Angeles eight or nine times to attend these classes and work for a department back in Washington. I wish I had a job like she has, though, so I could take all these trips and be away

so much. No! we are not complaining about any of their witnesses.

Gentlemen, they brought into the case the Bible. Was there anything said about Isaiah misrepresenting to people, selling books, selling charts, selling flames-in-action, and selling them things that would make them acquire their instantaneous precipitation or their ascension into heaven? No! He didn't deal in those kinds of things. [976]

Did the Apostle John deal in such things? No!

Did Jesus use the mails to defraud people? No!

Did any of the Biblical characters misrepresent for commercial reasons? No!

Jesus drove the money changers from the temple, and that is what we are going to do here.

Gentlemen, Mr. Cannon several days ago made an opening statement before any witnesses for the defense were placed upon the stand: You remember that statement. He told you that they were going to produce hundreds of letters, testimonial letters, showing where people had been cured.

Mr. Cannon: That isn't in evidence. I didn't make any such statement.

Mr. Neukom: Gentlemen, if I am incorrect, and at any time if I am incorrect, your recollection of the evidence is, after all, final. My recollection of the evidence is that Mr. Cannon stated that they would bring forth letters of testimonials showing that Mrs. Ballard had received many letters proclaiming that people had been healed.

Mr. Cannon: Many, not hundreds.

Mr. Neukom: Kindly look for it, and if I am in error, I will withdraw it.

Now, Mr. Cannon, in his opening speech, knew about the Government having certain records of these corporations before he put a witness on. He knew that we had the records, the books of account of these corporations for a certain 18-month period of time. He didn't say a word about it then, gentlemen. He was glad we didn't put them in evidence. Why, he would have hollered to the high heavens here if we had tried to put in any of those audit reports. He would have said it didn't have a thing to do with this case. But now, because it has been brought out through Mr. Callahan that we did have the books—and, gentlemen, [977] you can take it there is no other evidence—we only had the books for a limited period of time, and they have even stated themselves that we can only get the corporate records, and the corporation, Saint Germain Press, wasn't started until December 12, 1939. Do you think we were going to fall into the trap of only giving you a smattering of what they had made? Of course we weren't. I am going to give you a more complete answer than that. I am going to give you a conclusive answer, I think.

Mr. Crouse testified that moneys that came through the mail for healing frequently went into the hands and pockets of Mr. Ballard. They didn't go into these Betty Mundy reports. Do you think we had confidence in the records of the corporation?

Would you have confidence in it, in line with that? Does it appear to you, gentlemen, that we have confidence in the representations contained in either of these first two books that they now quibble over, to the narratives or the happenings therein related? Does it appear that we do? Of course not. And if we didn't have confidence in these, would we have confidence in this ledger of theirs or their account books? Of course not. They could get the books. If they were so significant, why didn't they produce them. If they thought they would have meant so much, why didn't they produce them?

With respect to that question about Mr. Ferguson being or not being here, they knew Mr. Ferguson was in the courtroom. They called Mr. Callahan. They called Mrs. de Carranza. Why didn't they call him? I don't know. That is just another example of byplay to confuse the issues, gentlemen, the issues being—we will go into them and very thoroughly; and I notice they tried to avoid them—ascension, false representations! Precipitation, false representations! Cataclysms, false representations! This blue record, healing, false representations! The representation with respect to the appearance of the ascended masters, all of [978] those things, false representations!

Before I pass on to something else, I am going to point out this picture. I want to answer a few of these things. I am not going to waste too much of my time on them because I think they are collateral. Mr. Cannon asked me to answer why Dr. Cottam,

his testimony, he says, is wrong with respect to Jesus' picture not being present until he told them. Well, gentlemen, I don't know why, but this is the 1938 edition of the "Ascended Master Light", the only one we have. If there is any earlier edition, I should imagine they would have produced it. There is where you find the picture of Jesus. (Exhibiting picture)

Now, gentlemen, Dr. Cottam didn't say what they tried to have him say. He said he suggested that they put a picture of Jesus on the platform. That is what he said, that is all he said. They just tried to twist his testimony.

Gentlemen, I am going to go to the one point in this case which I think will show the bad faith of these defendants as much as anything else—and, gentlemen, because other people might have believed it, too, or because other people aren't on trial here, doesn't mean a thing. We have got on trial here the people that made their living out of this thing, that have profited from it. Because maybe some others should be on trial is utterly immaterial.

First, let's start with this premise (and I am reading from their own magazine): Now, this is Saint Germain talking—Saint Germain—Mrs. Ballard's Charlie McCarthy, the most convenient thing you ever saw. Why, it is even better than Edgar Bergen's Charlie McCarthy. She doesn't even have to take care of it. All she need do is call on it whenever she needs it. Whenever she wanted something, she wrote a letter or a discourse. Whenever she

wanted to blast someone, she wrote a letter or a discourse. Why, it is so evident here, gentlemen! But, gentlemen, Saint [979] Germain, this man that she always looks to, or whatever he may be, says that these experiences are the foundation of this work in these books, just as essential, gentlemen, as the rubber tires you have got on your automobiles. That is what he said. Reading, "That this good brother's experiences are really true." Well, everybody on the stand said that is what they understood the Ballards stated. "His experiences are the foundation upon which this work is established." Now, there is the foundation.

Now, maybe you can turn to the "Unveiled Mysteries" and say it is a fiction book. Maybe is it a fairy tale. Maybe it is a fantasy. If it is, why didn't they call it so? Why do they misrepresent it? Why do they tell people you maye have the same transcendent experiences if you will follow those things? I will pass that for a while. I am not going to argue that at this time.

Gentlemen, you will remember when William Cassiere was on the stand I went through this "Magic Presence" with him. Upon many, many occasions Mr. Cassiere would say, "I don't recall reading that to my students", or "I must not have read that to my students", or "I didn't read that to my students." Do you know why? Because he was in a quan*d*ry. He taught these things. Now, remember everything in "Unveiled Mysteries" occurred in 1930. The last incident is in December of 1930.

Now, this is the second book. Everyone says that, nobody can doubt it.

Now, gentlemen, these trips in "The Magic Presence," and I call your attention to them again, they are not made by the body riding around on a magic carpet like the Thief of Bagdad; they are traveling on trains, trans-Atlantic liners. They are tipping people. They are traveling in airplanes. They are not doing any of the things that they would have you believe. These are real. There is nothing fanciful about these. This is no inner soul—I don't know what that means—or inner body. But [980] listen to what it says:

> "The Retreats, people; and instruments I saw and associated with, while with the Ascended Masters, are real physical places and things."

That only means one thing, gentlemen, real, physical things, bodies just like mine.

"and tangible, living, breathing beings."

They are not floating around in space.

> "They are not imaginary nor symbolic and are to be interpreted in any such way."

Godfre Ray King—Mr. Ballard. They taught this.

Now, follow this—gentlemen, I am not going to read it all to you because I have already read some to you—you can follow me. You can take the book. You can make notes now. But assume I am reading

correct, and I will assure you that I am. First they met Daniel Rayborn at the Brown Palace Hotel in Denver. That is on page 1. Denver, Colorado, is real.

Now, gentlemen, this all follows "Unveiled Mysteries", and this has to be in 1931. If you don't believe that—I mean if there is any doubt in your mind about it happening in 1931, I am going to pick you up the very first date, July 28, 1931, on page 132. Gentlemen, I can't write very good, so stay with me (Writing on blackboard) July 28, 1931. That is Mr. Ballard's experience, the first date related in this book.

Then on page 175 the 24th of September came. Now, gentlemen, I am not going to tell you what all happened here. They haven't seen fit to read it to you, and I am not going to read it all to you now. If you want, you can read it.

"Before leaving for Washington* * *"

Now, I am going to skip. I read to you heretofore about changing trains at Chicago on page 179. Now, that is real. That isn't any cavern. That isn't any Mount Shasta trip. That is just [981] a real thing, things that I can understand. It is down to earth. It is common sense.

On page 225 they arrive in New York, and again on page 225 they use the telephone. I don't think you would have to telephone an ascended master, and I don't think these people believed it, either.

Again on page 225 a highclass apartment hotel is referred to.

Now, gentlemen, let's see whether these are physical. On page 226:

> "I jumped into a taxi, and followed, giving the driver orders to keep them in sight. Their car arrived at a pier from which a trans-Atlantic liner was sailing. They went aboard at once."

Page 226, gentlemen, refers to a steamer and the boarding of it. Then for a few pages it refers to the voyage, the first, the second, the third and the fourth day of the voyage. They landed in—I don't recall whether it is stated they landed in France or not on that first trip—yes, they were leaving for Cherbourg.

Now, on page 242 they return to Washington, D. C., a place, a town.

Now, October 2nd comes along—this is all in the same year—October 2nd comes:

> "We had arrived in Washington the 2nd of October and the Christmas season was now approaching."

On page 244:

> "Christmas Eve came."

265:

> "Our intensive training under Saint Germain continued for three months."

265:

"We left Washington the 7th of April."

[982]

Now, they are over into 1932. They have to go over into another year. They are over now into 1932.

Now, on 287 the next date is given—it doesn't give the year, but it is a continuation—the 26th of July. I will put down July 26th. (Writing on blackboard) I am going to put '32 here. It doesn't say '32 in the book, and I am going to be fair about it, but that is all that it could be.

Now, Mr. Ballard, according to Mrs. Ballard, was in Chicago on November 6, 1931. Mr. Bronwell says that he was in Chicago in the summer of 1932. Mrs. Bliss places him in Chicago in the fall of 1932. Now, gentlemen, follow along just for a little more. These are the foundations upon which this was established. That is what Saint Germain says, and they say this is true; everybody says it is true, but it isn't true and they didn't believe it was true; and when you analyze it, you will find this out. This is just an example.

Now, on page 293 the 20th of August came and they left on a train and they were to arrive in New York. They sail on the "S. S. Majestic" on the 28th from New York. Well, you may wonder why we didn't search the records of the "S. S. Majestic" and find out whether or not Mr. and Mrs. Ballard sailed on that vessel. Well, look at his name, Godfre

Ray King. I think there is another here about Dick Gilbert. I don't know what name he would have sailed under. Logic proves he didn't sail.

Continuing, "The boat docked at Cherbourg." Now, gentlemen, this is all in 1932. He is having these trips. On 313, "We had a delightful trip on the deep blue waters of the Mediterranean, and finally docked at Alexandria."

On page 315, "Our trip through the Suez Canal was delightful."

On page 336, "In a short time we will go to India for a stay of 10 months." [983]

Ten months, gentlemen. That is bound to put it in 1933, but he is in Chicago, according to these books, the "I Am Discourses." He had all these discourses starting from July 4, 1932, when he was out in the West. They aren't true. And it goes on. He is in Calcutta. He is in Benares. He is in the Himalayas where he is going to be for many months.

Now, gentlemen, I don't know and I don't care —the Shasta letters are in evidence—whether Mr. Cannon let them in or whether he didn't let them in, whether he was gracious or not. I don't think he did. They are in evidence. Where are any letters from India? Where are any letters from France? Where are any letters from Arabia? There aren't any. Why? Because Mr. Ballard wasn't there, and they know he wasn't there. Mr. Stickell knows he wasn't there. He has common sense. He can reason these things out. If he didn't reason them out, he is perpetrating a fraud. He is reckless. He

is putting something out that someone says is true. That is the foundation and the basis for this thing, setting it forth as factual. He isn't telling people this is Baron Munchausen, this isn't Gulliver's Travels; this is something that is supposed to be sacred. Gentlemen, people believe things like this. People believed that these trips occurred. That gave an aura of something to these people that put them off and apart, but Mr. Cassiere knew that this didn't occur, but he taught it, and he continued to teach it. Betty Mundy knew it couldn't have occurred. Maybe Mrs. Bliss knew it. Maybe Mr. Sieber should have known it. I don't believe he should, because he wasn't with them when the first book came out.

Oh, I do want to say something about Mr. Sieber. I think Mr. Sieber's accident that Saint Germain didn't protect him from where he was all banged up in Washington, D. C., there in 1935 was one of the best things that ever took place in his life, or he would have been on trial. He got out of the movement. He was the business [984] manager that took 50 percent interest in this.

Gentlemen, we accepted the burden in this case, and we gladly accepted it. We feel that the evidence in this case establishes beyond any question of doubt the fraud involved here. The intent in a person's mind is something that we can't analyze. Even though I had the brain of this Dr. McClanathen, that blue doctor, that man that didn't like cheese and didn't like yeast, why, gentlemen, even though

I had his brain, or if I had the brain of that Columbia professor, Dr. Seward, who analyzed everything, I still couldn't just look at a person to find out whether they were exercising good or bad faith, but you can take all the facts and circumstances in this case and put them together and you can tell that religion becomes convenient now because they want to get off. It is a refuge. It is the rock of ages. Gentlemen, it wasn't so convenient when they were making these misrepresentations.

They put Mr. Zimmermanron the stand, the Philco accountant. They thought they were going to overawe us. He was a nice man. They started out with that platitudinous bromide, "Didn't Mrs. Ballard say 'Do not believe us, prove us'?" And, boy, they dropped that like a hot potato after a few witnesses because we brought all this in, their own writings, stating that Mrs. Ballard said they didn't make any mistakes, and those who were going to suffer the consequences. But let me just tell the one thing that I want to emphasize about Mr. Zimmerman. Mr. Zimmerman, when he was asked about the difference between the old and the new dispensation, said he was a little in doubt. He was a little in doubt, but he said he believed even under the old that the rays did something to your body so that there was none of it left, and under the new dispensation—well, you recall his testimony.

On the subject matter of precipitation, you recall what he said. He said, "If you get sufficiently perfect you ought to be [985] able to precipitate," but he hadn't, didn't know anyone that had.

Dr. Haldey, the gentleman they brought here, a rather old man, is a nice gentleman. Although he had been healed of a lot of things, he didn't even contend that he used this I Am teaching to heal people with. He practiced his profession in the old orthodox way, and he believed that if you got sufficiently perfect you could precipitate, and precipitate the way we all understand it, gentlemen.

Gentlemen, if you were going to precipitate in this manner, like a paycheck or like Mr. Cassiere says, getting a shirt, it is just absurd that, why in the world would it be necessary that 40,000 people are about to precipitate? If it just means getting something in the usual channel, why write about the usual? Read it!

> "Today there are approximately 40,000 people among the I Am student who are nearing the point where they can call forth precipitation. There is nothing strange about it."

40,000 that are going to precipitate! Why they knew what they meant.

Now it is different. I wonder what she is going to have to do if she is going to have to go out and confront her followers with this different version.

Gentlemen, I am going to go into a subject matter, and I have noticed that many of counsel have avoided the proposition of the essential principles set forth in this indictment. Of course we set the battleground, if you want to call it a battleground. We made these charges. It was hard work. This

isn't an easy kind of a case. I will be glad when it is over too, the same as everyone else.

Gentlemen, this indictment here you are privi leged to have if you want it. But they would have you understand, or try to create the illusion, that this is not a mail fraud case. You pick [986] it up. His Honor has stricken Count I—not the whole count; don't get confused on that—just the part dealing with this check of Mrs. Bliss because, as I recall, his Honor stated that it appeared to be a gift from Mrs. Bliss so therefore it should not be in the indictment.

Find the other letters and you find, gentlemen, that they all went through the mail, every one of them. Some are checks that cleared through the mail. You who are bankers know that checks frequently clear through the mail. They are responsible if they set in motion. They don't actually have to mail the check.

And in considering these letters here, gentlemen, bear this in mind: Don't be confused over the possibility that these letters may not contain lots of misrepresentations or may not be requests for money. That isn't necessary. It is sufficient if they devise the scheme or artifice to defraud and then use the mails in the furtherance of it. And you will find, gentlemen, that all of these letters went through the mail, or they wouldn't have been put in evidence.

This phonograph record went through the mail (exhibiting). The checks! Letters requesting healing with checks and money were sent to Mrs. Ballard or Mr. Ballard. His testimony is that they

went through the mail. Books went through the mail. Many of them went through the mail. The whole thing. There was the full utilization of the mail.

Why, gentlemen, I just want, in passing, to say this about this blue record, that if there wasn't a single other thing in this testimony here—there wasn't a single other thing—this representation about this blue record is one of the most vicious and cunning ways of defrauding that I ever heard tell. Why they even bring in a black record themselves. A black record was good enough for them for a while. Then somebody hit upon the idea that a blue record would be a little better. [987]

No, no, gentlemen. It is 1940. To keep the thing going you have to keep up interest, so the blue record came out.

Special healing quality! Special healing quality!

"We have been working on these for some time."

Did anybody come in and confirm that? Didn't Mr. Goldberg say he just took one of his records, a sample, they liked the color, that Mrs. Ballard picked it out? Why they don't even testify that they talked to Dr. McClenathen about this blue record. You haven't a bit of evidence that there is any therapeutic value to this record. You know that it won't cure cancer, it won't cure tumors, it won't cure any of those things.

Why we like the color blue. I like nice music. I know that nice music soothes people. But gentle-

men, can you be reckless with the welfare of other people and make representations like this to sell them something when you know that people, when they are suffering, when they don't know what is the matter with them, are liable to go for anything? Why even Mrs. Lavett—and I don't mean to be rude to her, if I was—the lady that had all these diseases, paralysis, heart trouble, those six or seven or eight or nine others—I guess she would have had more if you kept her on the stand longer—but she had seven healthy children, six of them born before she ever joined the I Am. She didn't even take the stand to say that she had been cured of anything by this record. There wasn't a single solitary soul that took the stand upon that proposition.

Why? Because the defendants knew that it was false; they knew they couldn't find anybody that would even go that far for them.

Gentlemen, I am going to talk to you about the subject matter of ascension a little more. I don't like to keep talking about the subject matters, and I know they are getting old to you, but they are issues in the case. I have got a job to perform, and I am going to do it. [988]

Here is their book, Exhibit No. 13, May 1936, a picture (exhibiting)—"The Ascension."

Now wait and see if this doesn't conform with what the Government witnesses testified to.

"Sixteen of whom were from Los Angeles.

* * *

"He is no longer subject to any of the limitations of the outer world for he has the full

use of the power of precipitation and can take his body anywhere he desires instantly."

That is the same as Mrs. Bliss and Mrs. Pinkerton understood, and it is the same as Mr. Zimmerman understood.

Continuing on:

"The gravity pull of earth can no longer affect it. The body rises into the atmosphere and follows the thought, going instantly wherever the individual desires. As an airplane propeller, when its speed is increased, generates enough power to overcome the gravity pull of earth, so does the increase of light in the flesh body generate the same kind of power to lift the body into the atmosphere."

"To lift the body." That is clear. That is English. You don't have to put any quibbling interpretation upon that.

Reading over—I am not going to read it all to you, because we already have:

"To the point where the body can rise into the air and become invisible or visible as the ascended masters are able to do."

Now, gentlemen, they compare this to Jesus' ascension, as is expressed in Luke 24, 50 and 51. I read that to you. I believe that is the only place from the Bible that I have read to you. They wanted to get that comparison to these people. [989]

Now Jesus did ascend in His physical body. Now, Mr. Ballard didn't ascend in his physical body and

Mr. Cassiere and Mr. Stickell know that. Betty Mundy knows it. Donald Ballard knows it. I am not going to talk about Mrs. Ballard, because she was at the Shrine Auditorium telling them that Mr. Ballard was up at the Royal Teton when he was deathly sick. And Dr. Davis had testified that he had to operate on him because he had cirrhosis of the liver, because he had a serious heart disease.

Now, gentlemen, all the testimony in this case is to the effect that originally they represented that people were going to make their physical ascension, and that is an attractive bait. They are dealing in ascensions. That is their commodity, and that was their commodity. People were told that if they would follow these teachings they would ascend, and they knew they couldn't. And that is bad faith. There isn't anyone that has ascended that you know of here. I believe in the resurrection of the soul. I read about Elijah going up in a flaming chariot, and about Christ. "By their works ye shall know them." Why didn't they travel under true colors?

Gentlemen, Mr. Cassiere dwelt at length upon Government's Exhibit 22, the description of the chart. He talked a lot about the Bible. I believe there has been more Bible mentioned from this witness stand than there has been in all the books put together. But regardless of that—that is immaterial—that is a good source of something I wish there was probably more of in this.

But look, gentlemen, if this isn't the physical body ascending, I don't believe it ever could be

conceived. (Exhibiting document) This was the only purpose of the chart:

> "Every one who has ever accomplished the ascension, Jesus included, had to use this violet consuming flame to dissolve his own human [990] creation before the substance of his flesh body could vibrate at a rate that would enable it to ascend."

Now they have got three explanations of the chart, two other ones besides this, one earlier one, and I find no mention of a Bible or Jesus in any of them other than the one. But I want to pass that. The whole point is, gentlemen, it adds credence to what we have brought out through the Government witnesses, that it was represented to these people that they could ascend, and the Ballards knew they couldn't, and when they couldn't ascend they brought out a new dispensation.

If the old dispensation was good enough, if you could accomplish all that you needed, why in the world did you have to have a new one? If going to heaven under one pathway is all right, gentlemen, there doesn't need to be any new-fangled ideas about going there. If they could pick your bodies up, as they represented, and take it up to heaven in the beginning, or wherever they wanted to take it, and have it come back, go back and forth, go back and forth like an elevator, talk with the ascended masters and come back, why didn't they stick to it? It was attractive at first. They didn't believe in it. We know they didn't believe in it. They knew nobody precipitated.

Why just to show you the fallacy of it, look at the picture of Mr. Kelly, Mr. Kelly whom they represented had ascended. Read what they said about him:

> "Mr. Kelly in Los Angeles, who recently made the ascension. How wonderful it is. His last words before his ascension were, 'In the name of My Mighty I Am Presence, I say to all human creation, you have no power,' and he was released from the body without a moment's illness."

Now this is saint Germain talking. They tried to create the [991] impression, when Mr. Crouse was on the stand, that they were copying the words that Mrs. Kelly wrote in her letter, so they were all right, they were just copying Mrs. Kelly's words about what she said about Mr. Kelly. Saint Germain didn't have to do that. He ought to know. He wouldn't have to wait six weeks to find out if a man ascended. They knew he didn't ascend. Was that good faith?

Gentlemen, I think that is very significant, and I think it shows bad faith.

If there was nothing more in this case than these form letters, if there was not a single thing more in this case than these form letters, I would be willing to have tried Mrs. Ballard upon this evidence.

I too wish Mr. Ballard was here. But he isn't. And I believe that Mrs. Ballard has been the brains back of this all.

Gentlemen, if this isn't a reckless idea. You prepare some form letters—you get so many letters through the mail asking to be healed, enclosing money, it gets to be so good, it gets to be so fine, that you can't bother with it in person, so you let your stenographers and somebody else make a form letter—"1. The healing decree," "1. Heart trouble," "1. Sight and hearing," another "sight and hearing," "supply," and so on. And the testimony is that these letters were signed in a group.

Why it confirms the testimony of Mrs. Meyer from San Francisco when she said, when Mrs. Ballard was confronted with two telegrams from peopeople requesting aid in the healing proposition, "Tell them the usual thing." "Tell them the usual thing."

The lady who has a blue record, sold under the name of her son Donald Ballard, the accredited messengers of Saint Germain—and I am not being sacriligious and I am going to say that they made Jesus a book salesman, and that isn't a sacriligious statement. They are the ones that were sacriligious. We have a right to call them what they call themselves. I contend, gentlemen, when you sell [992] them musical compositions and tell people, represent to people, that it will cure cancer, tumors, and other diseases, that it is a reckless disregard of the truth. And that you know better.

They read you a passage about Christ in healing a person of leprosy. Did Christ use a blue record?

Did Christ use a musical composition? It that good faith?

Let your verdict be a warning to those people who would be religious racketeers. Let's clean out the money-changers from the temple. Let's let people know that whenever they go to worship their Maker, their God Almighty, that they are not in the clutches of those who would deceive them for their money under the false and fraudulent representations.

Did the Government's witnesses see any of these letters written to Mr. Sieber? No. Their eyes might have been opened sooner. I don't know. I rather think that there are some people still, as Mrs. Fowler said, looking through a knothole rather than a porthole. I still think that when some of them place their doubts upon the shelf, if they didn't make it too strong, that it would have collapsed like Mrs. LaFerrera, or maybe the Great Barnum was just a little bit too conservative. I don't know.

Nevertheless, gentlemen, regardless of all of that, these things about precipitation and healing were made to lure people to come in.

These representations about cataclysm, they were going to destroy San Francisco at such and such a time, the east coast and west coast—they were come-ons because the I Ammers were going to be safe.

And there weren't three million or six million people in this movement I don't believe. I don't think there were. I don't believe she sold so many

books. I don't know whether she sold a million or what she sold, but I know the take has been good and I know that the charity has been lean. [993]

That is evidenced by Mrs. Kent's letter, the 11th count. We confronted Mrs. Ballard with it. It is evidenced by these Betty Mundy reports which are, after all, merely examples—they are merely examples. I think there are eight or nine of them here (exhibiting).

Now Mr. Crouse said that in the years 1937, 1938, and 1939, there were 14 classes. You saw the figures. I am not going to go into them all again. They range all the way from $4,000 or $5,000, $6,000, $7,000, $8,000, $9,000, $10,000, $27,000, something like that.

And Mr. Crouse testified that these Washington classes, that this was a representative amount of the additional money that never went into the reports, that went into Mr. Ballard's pockets.

Gentlemen, whether they spent every dime, every single dime of this money when traveling, whether they haven't got a cent anywhere, whether they haven't got a cent to pay their counsel, that doesn't matter—if they have taken money from people under false pretenses, they have to bear the consequences. It isn't their build-up or their yachts. I don't know whether they have them or they haven't them. But they seem to have done pretty good, and they seem to have planned to do pretty good.

Look at these Killen letters, before the book ever came out, it shows what was in the mind. This is analyzing, this is bad faith for you, this is all you can do. I couldn't even put a light up here, blue or any other color, and dissect out their intent, but I can see their motive. Maybe some of her motive is aggrandizement, maybe some of the motive of some of these other people is that they like to be heard, maybe they like to lead people. They also got a financial reward out of it, or they wouldn't have kept it going.

About these Donald letters—$11,000—why, they criticize us for bringing evidence into the case like that. It was evidence that Mrs. Ballard knew that letter was going to be read by Marjory [994] Ballard and Portia Terry. There is nothing wrong about that. Mrs. Ballard didn't let her hair down. She hasn't very often.

Donald Ballard has let his hair down. He has admitted that this is a fake. In 1940, when his deposition was taken, Donald Ballard was asked, not by me, not by my good colleague, Mr. Lazarus, whom the defense don't like very well because he talks about facts, but by someone else that hadn't a thing to do with the Government—not a thing to do with the Government, and this indictment had never been presented to any grand jury—whether he had had any experiences with Saint Germain. "No." He was telling the truth then. Everybody that said a thing about Donald Ballard on the stand was a liar, he would have you believe.

Why, gentlemen, if this movement, this activity, was all they claim it was, if they had the faith in it that they claim they have, why don't they stand on it? Why don't they read from it?

Gentlemen, I am tempted to read from the Bible. I was told that I probably should not. Please do not hold this against me for doing so.

Matthew 24, 24:

> "For there shall arise false Christs and false prophets and shall shew great signs and wonders; insomuch that, if it were possible, they shall deceive the very elect."

I wonder if Mr. Cassiere ever read that to any of the students? I wonder if that isn't an outline of our case—falsity and the utilization of the United States mails.

Let's go back to Mrs. Killen. 1933. Gentlemen, I don't know precisely when this scheme started. I don't think it is material as to when precisely it started. A scheme to defraud was a scheme to defraud those people who, if they could be misled to give them their money, to buy their books, to buy these charts, to buy all they had, and it kept building and building and building—just [995] like the proverbial snowball, it picked up, and it is going to go faster if they can get out too.

Look here, gentlemen. They refer in one of these letters to Mrs. Killen:

> "If you thought the manuscript wonderful before, you certainly would think them marvelous now since the elaboration."

Now how in the world would you elaborate on the words of an ascended master? Gentlemen, it would be like me trying to elaborate on Revelations or upon the Psalms.

But look. See what they had in their mind at the beginning:

> "Spalding told us last year there had been two and one-half million copies of the Lives and Teachings of the Masters of the Far East sold. Then surely each one of mine will do as well."

Don't you see anticipation there? Don't you see what was in their mind? Doesn't that show commercialism? Does that show that someone is just trying to spread the light, spread the light—$11,000 in five months for an extravagant son. I don't care whether Marjory Ballard made him spend it or who made him spend it; he spent it, he had it, and he liked it. And the pie was good. The plums were worth plucking, and they all plucked them, and they know it.

I don't believe what they say. I have a right, the same as with any other witness. They don't believe my witnesses. I don't believe any witness of theirs, but read the literature and see where you are right.

Take these Killen letters, asking this lady for a hundred dollars if you haven't got the $3,000. Gentlemen, they have the audacity to say, "Can you borrow the amount for one or two years?"

. No, they didn't get it from her. That is one person they didn't defraud. But they had the scheme and the artifice and the design [996] to defraud here.

Go back to "The Magic Presence." As I said before, there is no Thief of Bagdad riding around on any magic carpet. Those are facts, and facts that they knew had occurred and went over into '33, but they represented them, they put them off on these people as being true, actual experiences—all the words couldn't be any more certain.

I want to tell you about Harry Sieber just a little bit more. Harry Sieber was the man that gave them the idea about the love gifts. Why, the letter—here it is gentlemen—which picks it up:

> "You would always be ready to let the individuals know that love gifts could be accepted, but the messengers themselves may not even suggest it."

Of course not. It is a good idea. Let somebody else do it for you. It is more adroit.

Why I don't contend they went out here with a gun and took money from people. If they had, they would have been charged with burglary or robbery. Gentlemen, there was a match king known as Krueger, a very respectable man until it was found out he was a defrauder.

There was a man named Insull. There was a man named Whitney, who was president of the Stock Exchange. Respectable people. They maybe

didn't look like criminals—I don't know what a criminal looks like—I don't think they have any particular face. Mr. Peterson tell us to go over here and look at the criminals, one, two, three-time losers.

Well, they had their bites and they don't give them any more. Too, every criminal has to have their first time. Defrauders! The most diabolic mode of defrauding people—and I say this with sincerity. A man can invest his money in gold stock, in oil stock, [997] and be defrauded. He could still go out and get more money if he is still in good health. But, gentlemen, when your faith is shattered and when people such as these, apparently many of them have feelings deeper than I have any right or have any consciousness of being able to understand, when they are misled under these representations, they are left in a quandary. They don't know just where to turn. They are suspicious of all things of this nature. The eternity itself is being utilized by these people as a medium and a mode of obtaining money.

I am going to refer for a moment to this picture. Before doing so, gentlemen, I was criticized because I asked Mrs. Schinn if her mother wasn't an old lady, couldn't speak English very well. She came to court. Mr. Cannon subpenaed her. She came to court. Incidentally, she had been in court here all along on a couple of occasions. I didn't want to put her on the stand because, after all, there can only be so much evidence. We don't want

to go on forever. I thought the daughter, it would be less of an ordeal on the daughter to put her on the stand than the mother, but she said she was 77 years of age. My goodness does she have to be as old as Methuselah for Mr. Cannon to think that she is old?

And he had her testify here, gentlemen. You heard her. I am not going to talk about it. If that lady understands very clearly, then I am mistaken. I think I was trying to be kind to her, but maybe I wasn't.

Mr. Mosher told you that he saw in Mr. Ballard's possession in 1929 or 1930 a picture similar to this (exhibiting). You recall that testimony. Now a picture very similar to this, excepting it is more indistinct, is to be seen in "Unveiled Mysteries." (Exhibiting) You have seen it many times.

Here is the original. (Exhibiting) You remember the testimony. He made her his own witness, Mrs. De Carranza, and then tried to impeach her after she had been made his witness. She confirmed just what the daughter had said. Everything. I wonder what Saint Germain [998] feels like, having a Rosicrucian model alongside of him? But nevertheless you will remember that that is what the testimony was.

Now, gentlemen, you take this picture and you take a fine artist like Mr. Sindelar—and he is a good artist—he didn't have this big one, he didn't need it, he is too good, but he takes this little picture—he had only been in the movement a

month; he hadn't even been made a messenger—but they come forth and tell you (and this falsity if there ever was one):

> "Saint Germain revealed himself to Mr. Sindelar previous to and while he was painting Saint Germain's likeness and he has said that it is splendid.
>
> "(Signed) THE BALLARDS."

Gentlemen, take the picture, take the scroll, take the symbols above, and if you don't want to believe Mrs. Schinn and her mother, or if you want to believe this lady who couldn't pronounce the name of Annie Besant, Cora Sheffield, a woman who didn't want to tell you her age—who I don't believe, and I don't think you do either—if you want to believe that lady, that she saw a picture like this in 1899, go ahead and believe it. It is an incidental point. But if there had been a work or a book out that had that in it, the picture of Saint Germain published, why wouldn't they have brought it to you? Why they have searched everywhere. They would have brought you a book which would have shown a copyright back at that time. But it wasn't true. That woman didn't tell the truth.

These other two ladies I think probably did tell the truth excepting they weren't sure of the year. Mrs. De Carranza said that in 1916 her picture was protographed at Cretona. One of the ladies said she saw it at Cretona, at the Theosophical or Rosicrucian Society, but at any rate, doesn't it show

that the Ballards would pick up anything to lure the people on? They didn't [999] even have a picture of their Saint Germain.

You have heard of the word "bally-hoo", gentlemen. This is the first time I have heard of "Ballard-hoo." And that is what it is.

Go back to some of these Sieber letters, because they are significant. They show commercial sales. 33⅓ percentage. Willing to split with a business manager. Saint Germain said "We should have one dollar per copy clear."

Well, I don't know, gentlemen. Believe it, if you want to. In the face of all this evidence you know that it isn't true. You know they didn't believe it to be true.

> "Harry, I am the channel that has made all this possible, and I do not intend to be swallowed up by this terrible commercial thing that has always forgotten the originator of a thing from which others have received millions."

Does that show what he was thinking of? Mrs. Ballard typed them. She had knowledge.

They had knowledge of the death, all of them, of Mr. Ballard, that he didn't make his ascension, and still they continued on, these people here who have made a good thing out of this movement.

Gentlemen, I am going to go to another subject matter, and I do it with deference because I know that you have heard this over and over again, but

I would be derelict, I believe, in my duties if I did not mention these things in view of the fact that you have heard six hours of addresses from very able men, very able attorneys. I am not saying that in flattery. I have respect for their ability. Three of them I know very well. But neither counsel are on trial. The evidence is all we are interested in.

"Do not believe us, prove us."

Mr. Lazarus, by a slip of the tongue, said, "doubt us." He said "Do not believe us, doubt us." I feel that should have been [1000] their full warning.

Why, gentlemen, they tried to bring that forth and then they have Saint Germain saying that these messengers have full authority and power of the ascended masters, that they know everything. Would you doubt anybody that knows everything? The Great Cosmos dictates and says that if you doubt these people or those who spread doubts are blinding themselves with that to which prison walls of your earth has no comparison.

Gentlemen, one of these says—now, listen; this is Saint Germain talking, and these people are very much concerned over Saint Germain——

> "The light compels me to say to you that after today, July 16, 1939 (they must have been getting a lot of doubt around that time; remember that a little before that Mrs. Bliss left them, the Ballards must have known that lots of doubt was creeping in) from all students or those who have claimed to be who

doubt the messengers, myself or the reality of this great light, all their assistance will be withdrawn."

And these people, if they believed that Saint Germain was going to withdraw his assistance, it was a serious thing.

Gentlemen, I believe that you will be instructed that you cannot speculate upon the verity of whether or not ascended masters may or may not exist, but, gentlemen, you will be entitled to know and to determine whether or not they believed they did exist, or whether or not these ascended masters are nothing more or less than these defendants talking to suit their own purposes. And, taking the evidence as a whole, you cannot escape any other conclusion.

Why, they write a letter to Mrs. Ferguson, telling her that they expect to be on the ray and that they believe that she will be appointed a messenger. A short while later, within two weeks, [1001] Saint Germain appoints the Fergusons as messengers. Isn't that convenient?

Now the old Colonel Bailey. In the summer of 1935 he was named as their representative out here in California, and then in October of 1935 they write him a letter and tell him that he has full authority and everybody is to follow him, and of course, they don't do anything, not a thing, unless they have the full support of Saint Germain, unless they talk to Saint Germain; but just five or six weeks later Saint Germain writes this fine Colonel

Bailey, the Australian officer who was a medical officer, 75 years of age, dismisses him. Now do you believe that an ascended master would have such a judgment as that, a man that he places just a few weeks past, that he certainly must have analyzed, would he dismiss him? Why, no, it is nothing more or less than he had a mind of his own, he was interfering with some of the things that the Ballards thought, and they write:

> "Your earth span is very short. Make your peace with your God and call to the Lord for forgiveness."

Threatening a man, Mrs. Ballard said that that wasn't a threat, to say your earth span is very short. I would like to hear one of her definitions of a threat. Gentlemen, I believe it would oust each and every one of us from this room.

Mr. Neukom: Gentlemen, only a half an hour more and tomorrow you will hear from his Honor.

This "Magic Presence" is so convincing to me that I can't help going back to it. I don't mean that the book is convincing, but the proof of the case is so convincing, I just want to read you one more passage because I promised that I would talk about tipping:

> "So I went direct to the transportation office and after considerable argument and tipping finally [1002] secured passage."

Now, gentlemen, there was nothing fantastic about that book and Mrs. Ballard—Government's

Exhibit 105; this Woodard statement—knows that Mr. Ballard was in Chicago in November of 1931, and all the evidence points to the fact that he must have been there from then on until he started out in October 1934, and that shows bad faith and that is all we have to prove. Sure the burden is on us. We proved to you beyond a reasonable doubt that these defendants are guilty of using the mails to defraud. That doesn't mean to some mathematical certainty. It means just like I said before, and I am going to say it again. It means just good old common ordinary horse sense. That is all it means. Maybe we would have been better if there had been other people who had a little more of that. Maybe these people wouldn't have been defrauded.

Gentlemen, the statute was made to protect the credulous the same as the intelligent. It was made to protect against every form of fraud whereby the mails were used in the furtherance of that scheme and artifice to defraud, and it covered this type of case.

Now, gentlemen, Mr. Ballard died the latter part of December 1939, the same as all people will die. In the first issue of "The Voice" which comes out, apparently—the February 1st at least—after his death, they announce there is going to be forthcoming a picture of Mr. Ballard at $2.50, $3.50 and $25. We have told you this, but these are the issues in the case.

Persecution, martyrs; those aren't the issues. War—that isn't an issue. Whether or not Mr. Fer-

guson was or was not in the court room, those are not issues. Whether we call Mrs. DeCarranza or don't call her, those aren't the issues. Whether we get letters by one manner of means or whether they don't like the way we get them, those aren't the issues. Whether Mr. Gysi just straightened out this "Mighty I Am Presence" or whether somebody heard it one [1003] time or not, different, those aren't the issues in the case. How Mr. Cannon would like to lead me into an alley and try to get me to talk to you for all my time on those things, because he knows that they aren't the issues!'

Gentlemen, I have tried a few mail fraud cases myself, and I know that I have a duty to perform to prove the allegations in this indictment, and that is what we are doing and we are staying with the evidence.

In the next month's issue of "The Voice"—I don't know whether Saint Germain said this or not—but just to show you:

> "The photographs of our beloved messenger have been definitely prepared and charged by him and us to render tremenduous service to all who use them for contemplation."

Telling people about this $25 picture of Mr. Ballard. He is dead, and they come out now with this picture. It is charged and it conveniently says also that it straightens people out about using pictures of someone eles that is supposed to have ascended, because probably somebody had a picture of Mr. Kelly they got free. They didn't have to pay for

that one. Mrs. Ballard didn't want anyone to think that picture had any force so she has to come out with something like that. Why? Gentlemen, pick up these magazines from the beginning to end. Pick them up and just look at the advertisements. Look at them throughout, all money, extra postage to be paid. They don't solicit. They don't advertise. Well, I don't know what you call it, but when you use the name of Jesus, the man of Galilee, the Nazarene, to sell your charts, you have thought of something that even the national advertisers, and the best, never thought of to try to get people to buy your books. I don't know whether Jesus came to the Ballards here, and you are not going to decide that. There is no way that any of us will know that until we see our Maker. But I think it is very strange that the language used here that [1004] purports to be the language of Jesus appears to also be in the same language as Mr. and Mrs. Ballard used, that Mr. Ballard used in his Mount Shasta letters. Maybe Jesus has changed His way of speaking. Why in the world would Jesus be so interested in selling the books of these persons? If that isn't solicitation, I don't know what it is.

Oh, no, it isn't telling people to give me your money. It is more *adoit*. But let's see: Jesus is saying this—I copied this, gentlemen, because it is a lot of work to pick up all of these magazines, and set them out, but this is exactly as it appears in the magazine, the February 1936 issue of "The Voice."

"I urge the students everywhere, with all the love at my command, to forget everything else you have ever studied."

Jesus is speaking.

What could they have in their minds other than but one thing—I believe to forget the Holy Bible, the book that they now would endeavor to comfort themselves with. That book will give them comfort, nor should that be deprived from them. But that shouldn't change the proposition that they have defrauded people and should suffer the consequences.

We have toleration and feeling for all people, and I have it for them. It isn't pleasant to prosecute people and don't think it is. Mr. Cannon said the hard side is the defense. Gentlemen, if you have a heart in you, it isn't entirely so. It is hard to prosecute people, and that is true.

Jesus again says—oh, no, no, that isn't Jesus. The Goddess of Purity says:

"Henceforth I shall join your beloved Saint Germain in charging my purity into every book that the messenger autographs."

You have heard about the autographing of the books. Why, people [1005] thought there was something special about this autograph. Naturally, that had a significance.

No, they weren't content with just Jesus saying they never made a mistake, hadn't made one single mistake from the beginning, but they had to have the Goddess of Eriel, the ascended master, say it.

Jesus again in the February 1937 "Voice" said, "Discard everything they have ever studied."

Now, do you think they believed it? Do you think they thought Jesus said that? These Bible students who, apparently, knew every word from the Bible as they would have you believe? Can they find you anywhere in the Scriptures where the man who chased the moneychangers from the temple ever said words of that type or character?

We have just got human concepts, gentlemen. I don't want you to be intolerant of these people, but I want you to use your good sense. I want this part of the United States to no longer be the part that people more or less smirk about because of some ideas when people go forth and try to defraud someone under the name of God Almighty.

Jesus again says, "I ask all to adhere 100 per cent to the teachings of the I Am."

Now, if you adhered 100 per cent to something, it is awfully hard for me to see where you have got any percent left for anything else, and they knew that wasn't true. Miss Majerus, the book salesman who contends she only made the small amount that she did, she could write checks on the Saint Germain Press. Betty Mundy didn't even tell you how much she made. She was on the stand. She made up these financial reports. Oh, you have seen them. You have heard from them. Thousands and thousands of dollars going by her way. Draw your own conclusions.

Donald Ballard gets on the stand and he doesn't

try to explain [1006] anything about this movement and he is an accredited messenger. Does that look like good faith? Does that look like he believed that he had the fantastic experiences that are explained in "Unveiled Mysteries"? Gentlemen, these people can believe anything they want to. We stand here with the idea to protect people in their desire to believe what they believe and care to believe, but when you publish something which is a fantasy, which is gossamer, which has no foundation and which you know hasn't any foundation, all which you know doesn't because you can look at this evidence and see from all of it that it builds itself so clearly to the point that they knew they were perpetrating a fraud. Then you should sell it under true colors, but if you sold it under true colors you wouldn't get any bidders, because the actresses that they are, the actors that they are, they had no fear of that winess stand. I know some people do have fear of a witness stand; but don't you think they had any fear of that witness stand. They were anxious to get up there because they talked a lot. They thought they were going to be able to sell their story to you, but they didn't.

They haven't bothered to even read very much from these books to you. Gentlemen, there are lots of good principles in these books. The Ballards haven't got any copyright on goodness. We don't claim that they don't have good philosophies in many of these books. That isn't what they are on trial for. They are on trial for these false represen-

tations. You will recall, gentlemen, that some people stated they bought other additional sets of books because they were told not to loan them. Well, maybe Mr. Cassiere didn't want to let me have his magazine, and maybe I have destroyed the radiations in it. I think that was by-play. I think that was just acting. That wasn't any old magazine he had; that was one he had writen on just recently. It was a new one. But he thought that was sincerity, he thought he could befuddle you where you would [1007] believe him. Mrs. Ballard tried the same thing. She tried to give you all kinds of explanations, but when you get back to the books, they are clear.

Let's take a look at healing. I don't think we have read this one to you before.

> "There are thousands and thousands of elderly people in America today, who will cause the appearance of age to disappear from their bodies. Please accept this and let it do its perfect work."

Look at them, gentlemen. Could they have believed it? I am not making fun of people because they grow old, but when you say there are people who are 60 years of age who in six weeks will be in their fullest bloom of youth, or words to that effect, and you can't make it work on yourself, you can't keep yourself from dying—you can save everyone else in the world but your religion isn't good enough for you—then you are a falsifier—and if the

word rings, I don't care—you are a cheat, you are a charlatan, and you are a religious racketeer, and I mean it. I haven't just tried to throw words at you; I have given you evidence.

I tried, with Mr. Lazarus' very fine assistance, to conduct this case like a gentleman. I was not intentionally at any time, nor were we at any time, unkind to any witness. We brought out what we could. If we felt a witness wasn't telling the truth, of course, I am going to endeavor to bring out from them the truth. That is my duty. You people are helping to pay some of my salary, and I think you know you don't want people around that aren't doing their duty.

And, gentlemen, we presented the facts here as best we were able to. We have confronted you with an allegation pertaining to the subject matter of ascension, and it hasn't been answered, I don't think.

We have brought you here the subject matter of precipitation, [1008] and it is convincing that these people believed that once this foolish questioning doubt was removed that jewels and gold could be precipitated.

Why, they had a whole discourse on gold. We have read it to you several times. And there is nothing fantastic about it. It is on pages 118 and 119. It is bait. And the people believed that.

Mrs. Ballard didn't even deny that incident about Mrs. Bernard's jewel that Mr. Gysi told you about. He said she claimed it was precipitated. She did

admit that she didn't precipitate anything but just a few rays of light. There hasn't been another soul that precipitated another thing, and they won't precipitate it. Although there are 40,000 just about to—that is what they write—come on! Come on!

Why, I read you a discourse here about the portals of the domes of a certain church as described in one of the books, the gold on it that was precipitated from the universal. The cakes, the gold in the hand. All of those things were definite, gentlemen, very, very definite.

You will remember that Mrs. Hudson, one of their witnesses, gave you an explanation of precipitation, or an instruction that she had received, and I believe that I read it to you. I think it was on page 101.

Now, this is one of their witnesses telling you what they read, and this certainly sounds like what Mrs. Bliss tried.

> "There are several steps in the process from which every student can use at any and all times. The practice does bring visible, tangible results when really applied."

Nobody has been able to do it.

Gentlemen, the healing. Thousands are supposed to have been healed.

These form letters—I am closing now; I am not taking off; [1009] I am just calling that to your attention—these form letters, gentlemen, that were sent out—all evidence of bad faith.

This blue record that Dr. Moor says there is no therapeutic value that he knows of as to blue itself; that nobody has testified to has even cured anything, not even dandruff. This blue records shows an entirely reckless disregard of the truth, a bait.

Cataclysm. There has been definite representations by these people that they saved certain portions of the world from cataclysms.

K-17 and his submarines that saved the Panama Canal.

The black magicians.

Their music compositions.

Gentlemen, solicitation is very prominent in this case by the means in which they used it. It was a little different, but it exists in this case. All in all, the representations that the Government has made in this case, we feel have been established beyond any possibility of doubt. We feel that we have sustained the burden of proof.

We find Donald Ballard, way back in 1935, writing letters which show that he had knowledge, even though he was young, and continuing on, giving discourses. The evidence is here that he played a very vital part in this.

Mrs. Ballard is undoubtedly guilty. Donald Ballard is undoubtedly guilty. Mr. Cassiere is undoubtedly guilty. In this order, gentlemen, is the way in which I think they fit in. Betty Mundy, she was always at the side of Mrs. Ballard. She knew, or was charged with knowledge of the fraud that was being perpetrated upon the people.

Mr. Stickell took in over $7,000 in love gifts alone in his first year. I don't know what he took in thereafter.

Don't be bothered over these account books again, gentlemen, when I have shown you how we couldn't believe them. And there are [1010] other books. Don't think I would fall into that trap. They wanted my auditor. They could have had him. They had their books, if they had wanted to have brought them in. You will remember that there was a stipulation that they had been returned to them.

Now, gentlemen, more can be said, but to say more would serve no useful purpose. I ask that you gentlemen recognize that there is a very serious responsibility imposed upon you. And that isn't just so many words. There is some uniqueness to this case, although it is not one of first impression by any means.

You can whitewash these people, let them go forth with your verdict of acquittal, or with a disagreement—I don't want you to hang, either—if you feel that that is your duty, if you feel, after considering this evidence, considering the instructions of his Honor, who has carefully guided this case to this point; but I feel, and I would like to have you feel so, too, that your verdict be a warning to those who use false representations on the subject matter of religion as a means for their own personal gain.

Gentlemen, do not feel that because the subject matter of religion has been brought in here that it

is none-the less a crime. The veneer of religion does not free these people from false representations. Let your verdict be such that all men may worship their Maker as they see fit, that they may attend the most humble chapel, church, hall, tabernacle, cathedral, whatever mode or type of religion they intend to follow or study or worship under, but that when they do they know they are not being mulct—mulct and deceived—by those who would take sacred principles for their own purposes.

Let's not destroy religion; let's keep it here. Remember that all men are subject to the laws of our land, and as long as they are subject to the laws of our land, we will have the democracy that we all cherish.

I do thank you. [1011]

Thereupon the Court proceeded to instruct the Jury. Said instructions are set forth at length as follows:

The Court: Gentlemen of the jury: This is an action by the United States of America against Edna W. Ballard, Donald Ballard, Betty O. Mundy, Paul Stickell, Louise Majerus and William J. Cassiere. An indictment was found and returned by the grand jury on the 9th day of April, 1941, consisting of twelve counts. It is alleged in the first eleven counts of the indictment that the defendants did devise a scheme or artifice to defraud and for ob-

taining money and property by means of fraudulent representations, pretenses and promises from certain persons, and others whose names were to the grand jury unknown.

The Court has dismissed the first count of the indictment against each and all of the defendants, and that count is withdrawn from your consideration. The twelfth count is the conspiracy count. The statute prohibits conspiracies to violate a law of the United States. The Government charges that the specific statute which the defendants conspired to violate was the statute prohibiting the use of mails to defraud.

It is alleged that for the purpose of executing this scheme and artifice to defraud, and in the attempt so to do, that the defendants, placed, or caused to be placed, specified letters, or other matter, in the United States Post Office to be sent and delivered by such post office to the persons to whom said mail matter should be directed, or that defendants caused to be delivered certain specified articles according to the direction thereon, all for the purpose of furthering said scheme or attempting so to do.

The indictment charges that "during the early part of the year 1930, the exact date of which is unknown to the grand jury, and continuously thereafter up to and including the date of the filing of this indictment, in the Southern District of California and within the jurisdiction of this Court, the defendants and divers other [1012] persons whose names are to the jury unknown, did unlaw-

fully, knowingly and wilfully devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent representations, pretenses and promises from a large number of persons, hereinafter called the 'persons intended to be defrauded,' and that class of persons who could or might be induced by means of any of the fraudulent or false devices, representations, and promises hereinafter mentioned, to purchase the books, magazines, pictures, articles, and other paraphernalia offered for sale by the defendants, and each of them, and to become followers, or who might be induced to accept the teachings and movement sponsored by the defendants, commonly known as the 'I Am' movement, and who might be induced to give, send, and pay their money and give other things of value to said defendants, among whom were: Margaret H. Schall, Allen C. Radcliffe, Silvia Bisplinghoff, Maud Hill, Lillian M. Shissler, William I. Ferguson, Tom Stevens, Ernest C. Ricord, Muriel Bliss, Lucille C. Siefort, D. R. Baldwin, and Gladys E. Kemp, and divers other persons whose names are to the grand jurors unknown, including all of that class of persons in the state of California and elsewhere throughout the United States whom the said defendants would and could induce, persuade and entice to become members and followers of a certain organization or movement, organized and operated by the defendants, and by them designated and hereinafter referred to as the

'I Am' movement, which said scheme and artifice was and is in substance as follows, to-wit:

"(a) It was part of the said scheme and artifice to defraud, that the defendants would and did create, organize and operate a certain organization or movement known as the 'I Am' movement, and by means of false and fraudulent representations, pretenses and promises, hereinafter more particularly set forth, solicit, induce, encourage, persuade and entice the persons to be defrauded to become members and followers of the said 'I Am' movement. [1013]

"(b) It was further part of the said scheme and artifice to defraud that the defendants would and did form, organize, dominate and control a corporation designated and known as the Saint Germain Foundation, an Illinois corporation, and that the defendants would and did arrange for the election of the defendants Donald Ballard, as president, Paul Potter, as vice-president, and Edna. W. Ballard. as secretary and treasurer of the said Saint Germain Foundation.

"(c) It was further part of the said scheme and artifice to defraud that the defendants by means of false and fraudulent representations, pretenses and promises, and devices, hereinafter more particularly set forth, would and did solicit, induce, encourage, persuade and entice the persons intended to be defrauded to give, donate and contribute to the said Saint Germain Foundation sums of money and other things of value.

"(d) It was further part of the said scheme and artifice to defraud that the defendants would and did form, organize, dominate and control a corporation known and designated as the Saint Germain Press, an Illinois corporation, and that the defendants would and did arrange for the selection of the defendants Donald Ballard as president, Paul Potter as vice-president and Edna W. Ballard as secretary and treasurer of the said Saint Germain Press.

"(e) It was further part of the said scheme and artifice to defraud that the defendants would and did by means of false and fraudulent representations, pretenses and promises, solicit, induce, encourage, persuade and entice the persons to be defrauded to purchase from the said defendants various books, charts, pamphlets, magazines, and other written and printed matter published by the said Saint Germain Press.

"(f) It was a further part of said scheme and artifice to defraud that the defendants would and did by means of false and fraudulent representations, pretenses and promises, sell and cause [1014] to be sold to the persons to be defrauded various pictures, charts, paraphernalia and divers other articles.

"(g) It was a further part of said scheme and artifice to defraud that the said defendants would and did arrange for, establish and maintain branch offices, meeting rooms, and reading rooms in various cities and towns throughout the United States, including: Los Angeles, California; San Francisco, California; Chicago, Illinois; Washington, D. C.;

Philadelphia, Pennsylvania; New York City, New York; Boston, Massachusetts; Cleveland, Ohio; Denver, Colorado; Salt Lake City, Utah; Fort Worth, Texas; Dallas, Texas; West Palm Beach, Florida, and other principal cities throughout the United States; and that defendants would and did arrange for and conduct meetings, classes and lectures at the aforesaid branch offices and meeting rooms and reading rooms for the instruction of the persons intended to be defrauded, in the principles, precepts and doctrines of the 'I Am' movement.

"(h) It was a further part of the said scheme and artifice to defraud that the said defendants would and did arrange for and conduct radio programs and broadcasts over various radio stations in the United States for the instruction of the persons intended to be defrauded in the principles, precepts and doctrines of the 'I Am' movement.

"(i) It was a further part of the said scheme and artifice to defraud that the defendants, for the purpose of soliciting, inducing, encouraging, persuading and enticing the said persons intended to be defrauded to become members and followers of the aforesaid 'I Am' movement and for the purpose of soliciting, inducing, encouraging, persuading and enticing the said persons intended to be defrauded to give, donate and contribute sums of money and other things of value to the defendants and the aforesaid corporations dominated and controlled by them, and for the purpose of soliciting, inducing, encouraging, persuading and enticing the said per-

sons [1015] intended to be defrauded to purchase from the defendants and corporations dominated and controlled by them, the aforesaid books, pamphlets, charts, and divers other articles heretofore mentioned would, in the aforesaid meetings, lectures, radio broadcasts and through and by means of letters, books, pamphlets and divers other written and printed matter, falsely and fraudulently represent to the persons intended to be defrauded, in substance and effect as follows, to-wit:

"(1) That the defendant Guy W. Ballard had attained supernatural state of self-immortality, which condition enabled him to conquer disease, death, old age, poverty, and misery; whereas in truth and in fact the defendants well knew that the said Guy W. Ballard had not attained such a state of self-immortality which would enable him to conquer disease, death, old age, poverty, or misery, but was subject to disease and death common to mortal man, and did in fact die on December 29, 1939, in the city of Los Angeles, California, following an operation performed upon him;

"(2) That the defendants falsely represented that Guy W. Ballard, now deceased, alias Saint Germain, Jesus, George Washington, and Godfre Ray King, had been selected and thereby designated by the alleged 'ascended masters,' Saint Germain, as a divine messenger; and that the words of 'ascended masters' and the words of the alleged divine entity, Saint Germain, would be transmitted to mankind through the medium of the said Guy W. Ballard;

whereas in truth and in fact the defendants well knew that the said Guy W. Ballard was not a 'divine messenger' and all of said representations so made were false and fraudulent, and the defendants and each of them well knew that defendant Guy W. Ballard had no such divine or supernatural power;

"(3) That the defendants represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, by reason of their alleged high spiritual attainments and righteous [1016] conduct, had been selected as divine messengers through which the words of the alleged 'ascended masters,' including the alleged Saint Germain, would be communicated to mankind under the teachings commonly known as the 'I Am' movement; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor any of the three above designated persons had in fact achieved a high spiritual attainment; and whereas in fact none, neither, nor any of the said three designated persons had in fact lived a life either prior to the date set forth in the herein indictment or continuously up to and including the filing thereof, which said life adhered to and consisted of righteous conduct;

"(4) That the defendants and each of them represented that Guy W. Ballard, his widow, Edna W. Ballard, alias Saint Germain, Jesus, Joan of Arc, Lotus Ray King, and Chanera, and Donald Ballard.

the son of Guy W. Ballard and Edna W. Ballard, who was also known as Lafayette and Edona Eros Ballard, had by supernatural visitation been accorded a supernatural state of self-immortality of body and also had been appointed messengers of divine entities and 'ascended masters;' and that it was only through the medium of one, either or all of said designated persons that the teachings and principles of alleged 'ascended masters' and of divine entities would be transmitted to mankind; whereas in truth and in fact the defendants well knew that said representations pertaining to the alleged self-immortality of Guy W. Ballard, Edna W. Ballard, and Donald Ballard were false and fraudulent; and that the defendants well knew that the said representations as to the ability of one or either of said persons to transmit the messages of divine entities and of 'ascended masters' to mankind were false and fraudulent, and that all of said designated persons were mortal persons without any supernatural powers;

"(5) That the defendants represented that the teachings, precepts, doctrines, and principles published and promulgated by the [1017] defendants under the movement 'I Am' were the only channels through which the alleged spiritual teachings or words of the alleged Saint Germain and other 'ascended masters' would be given to the world. The defendants represented that the said words and teachings promulgated under the movement known

as the 'I Am' movement were absolutely essential to the salvation of mankind, which said teachings and doctrines are too voluminous to be set forth herein and for that reason are omitted by the grand jury; that the defendants well knew that said alleged representations were false and fraudulent and had no foundation for representing to persons intended to be defrauded that said teachings, doctrines, and precepts were absolutely essential to the salvation of mankind;

"(6) That the defendants represented that Guy W. Ballard during his lifetime, and Edna W. Ballard and Donald Ballard had attained a supernatural state of self-immortality, which condition enabled them, and each of them, to be entirely free from ailments common to man, and to conquer disease, death, old age, poverty, and misery, which power or condition and supernatural state the defendants, and each of them represented they could and would transmit to others willing to pay therefor or willing to part with other things of value therefor to the defendants, for the false and fraudulent purpose of securing money or other things of value from the persons intended to be defrauded; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor all of said above designated named three persons had any such power, supernatural ability, or condition; and that they well knew that they had no such supernatural ability, power, or condition to transmit to others the ability to conquer disease, death, old age,

poverty, and misery; and that all of said representations were false and fraudulent;

"(7) That the defendants, and each of them, represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard had, by reason of supernatural attainments, the power [1018] to heal persons and ailments and diseases and to make well persons afflicted with any diseases, injuries, or ailments, and did falsely represent to persons intended to be defrauded that the three designated persons had the ability and power to cure persons of those diseases normally classified as curable and also of diseases which are ordinarily classified by the medical profession as being incurable diseases; and did further represent that the three designated persons had in fact cured either by the activity of one, either or all of said persons, hundreds of persons afflicted with diseases and ailments; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor all of said designated persons had the power to cure or heal mankind of diseases or ailments, and in truth and in fact knew that neither of said designated persons had in fact ever cured any person suffering from curable or incurable diseases or ailments, but said representations were made for the purpose of acquiring domination and implicit belief among the followers of said movement so as to acquire a powerful influence over said persons and to cause the persons intended to be defrauded to believe that one, either or all of

said designated persons had divine power of a supernatural nature;

"(8) That the defendants, and each of them, represented by direct representations and by innuendos, worded and delivered in such a manner as to cause a belief among persons willing to accept the teachings of the 'I Am' movement, that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, and each of them, had, by reason of divine origin, acquired a great healing power and did represent to the followers and students of said movement that said followers might also acquire such healing power and be able to achieve perfect bodies and heal themselves of all human ailments if said followers would give implicit obedience to the precepts, principals, teachings and doctrines of the 'I Am, movement; whereas in truth and in fact the defendants, and each of them, well knew that none, neither, nor any of said designated Ballards had any such power [1019] to heal and did not in fact have the power to transfer to others their alleged power to heal persons of human ailments and their alleged power to achieve perfect bodies free from disease common to mankind;

"(9) That the defendants, and each of them, further represented as a part of said scheme and artifice to defraud the persons intended to be defrauded, that the three designated persons, to-wit: Guy W. Ballard, Edna W. Ballard and Donald Ballard, had a divine and supernatural ability to

bring forth from a supernatural state money, riches, and other material needs necessary to mankind, which power or condition and supernatural state the defendants represented that they could transmit to others willing to pay therefor or willing to part with things of value therefor, whereas in truth and in fact the above designated defendants well knew that none, neither, nor all of them had any such supernatural power or ability of precipitation and all of said representations were false and fraudulent;

"(10) That the defendants, and each of them, did publish and sell and cause to be published and sold over a period of approximately six years last past, continuously up to and including the filing of the herein indictment, books, wherein and whereby the defendants, and each of them, falsely represented to the persons intended to be defrauded that said books were the result of divine visitations and dictations by the alleged Saint Germain and other alleged supernatural entities appearing in various supernatural visitations to one, either, or all of the defendants Guy W. Ballard, Edna W. Ballard, and Donald Ballard; that the defendants represented said books contained the divine instructions for the salvation of mankind; that among such books were those published under the name of 'Unveiled Mysteries' and 'The Magic Presence'; that the defendants represented that Guy W. Ballard, Edna W. Ballard, and Donald Ballard actually encountered the experiences pertaining to each of

their said names as related and set forth in said books, whereas in [1020] truth and in fact none of said persons did encounter the experiences; that the defendants, and each of them, represented that the alleged Saint Germain and various other alleged 'ascended masters' too numerous to mention, communicated to mankind solely through the medium of one or more of the aforesaid designated defendants; that the defendants did endeavor to and did sell copies of said books to the persons intended to be defrauded under the afore-alleged representations, knowing at all times that said alleged representations with respect to their origin and alleged divine inspiration were false and fraudulent, and fully knowing that said books were not divinely inspired but were in fact the writings of one or more of said designated defendants, together with extracts and the substance of material and incidents from occult and metaphysical writings of others, persuading persons intended to be defrauded that, in their aim and desire to acquire salvation and self-immortality, they must purchase from said defendants said books;

"(11) That the said defendants over a period of the seven years last past and up to the date of the return of this indictment did publish, circulate, and sell magazines, booklets, circulars, letters, 'edicts,' 'decrees,' and musical compositions, circulating and selling the same among the persons intended to be defrauded upon the false representations that said writings or compositions as afore-

said were divinely inspired and dictated by supernatural entities or 'ascended masters' and were a part of the medium by which persons intended to be defrauded could obtain divine salvation, knowing full well that all of said publications were man written and that said representations were false and fraudulent;

"(12) That the defendants, and each of them, represented both orally and by writings that it was solely by reason of their teachingss and their embodiment in the 'I Am' movement and by reason of their divine power and influence that the United States of America was saved from destruction, and that by divine inspiration there had [1021] been accorded to them the ability to maintain the sovereignty and general welfare of the United States of America; that by reason thereof they represented to the persons intended to be defrauded that it was absolutely necessary that complete obedience be had to their teachings, commands, and decrees for the safety, welfare, and sovereignty of the United States and for divine justice to be had in governmental activities and the activities of industry; that the defendants well knew that all of said representations were false and untrue and had no foundation in fact, and that the welfare and safety of the United States did not depend upon persons following the teachings or commands of their movement;

"(13) That the defendants represented that reproductions of a painting of a picture represented

by the defendants as being an actual picture of the 'ascended master' Saint Germain, was the result of a visitation by Saint Germain before one Charles Sindelar; and that the said Saint Germain did appear before the said Charles Sindelar for said painting and did represent to the persons intended to be defrauded and the followers of said movement that the purchase of said picture from the defendants was desirable in their aim and hope to achieve salvation; whereas in truth and in fact the defendants well know that said painting was copied from an existing picture painted approximately twenty years theretofore by Theresa de Carranza and that the reproductions were made for the purpose of sale;

"(14) That the defendants falsely represented that the purchase of certain charts, phonograph records and articles, sold by the defendants to the persons intended to be defrauded and the students of the said 'I Am' movement, would bestow upon said purchasers great blessings and rewards in their aim to achieve salvation; whereas in truth and in fact the defendants had no foundation for said representations and well knew that said representations were false and fraudulent, and that said articles, chart and records were man-made [1022] and had no abliity to aid in achieving salvation;

"(15) That the defendants, and each of them, falsely represented from time to time that there would be an actual visitation in one or more designated cities or places in the United States of

'ascended masters' or divine entities, which said divine entities would appear in physical form before the assembly of followers of said movement, and by reason thereof said defendants acquired a hypnotic control, power, and domination over the persons intended to be defrauded, to-wit: the followers of the 'I Am' movement, causing many of said followers to reach such a high state of emotionalism that they were willing to travel from far distances at great expense to themselves under the hope and expectation that they would view the physical appearance of the alleged 'ascended masters' and other divine entities, said defendants knowing full well at all times that all of said representations were false, fraudulent, and were made solely with the aim, purpose and desire of acquiring domination and control over the followers of said movement; that subsequent to any such meeting in which the defendants represented that divine entities would appear in physical form, which appearance in fact never occurred, the defendants, and each of them, would lull the followers of said movement into blind belief that said divine entities had failed to appear because of an alleged lack of harmony existing among the followers of said movement present at said proclaimed time for appearance;

"(16) That the said defendants falsely represented that a cataclysm or the end of the world was approaching within the life span of persons now living and that there was no necessity to provide

for the future or to save money or other things of value possessed by the persons intended to be defrauded and that in lieu thereof the followers of said movement should withdraw their funds from the banks, life insurance companies, and other financial institutions accepted by normal persons as safe places for the deposit [1023] of their money, and should turn said moneys over to the defendants in the form of so-called 'love gifts' to be made directly to the defendants or to corporations above named, owned, controlled, and dominated by the defendants; that the said defendants had no reason to believe that the end of the world or a cataclysm was about to occur but made such representations as a part of their program to command implicit and unquestioning obedience of their followers;

"(17) That the defendants falsely represented that any person who criticized or questioned the teachings of the defendants, and each of them, would be denounced or punished by 'ascended masters' and would thereby create fear, confusion, and obedience among the followers of said movement; whereas in truth and in fact the defendants, and each of them, well knew that said criticism or questioning of the teachings of said movement would not be punished by 'ascended masters' and also not denounced by alleged "ascended masters';

"(18) That the defendants falsely represented to the followers of said movement and the general public that if said persons would follow the prin-

ciples, doctrines and precepts of the 'I Am' movement and the teachings of the defendants, prior to death said persons would achieve the ability to make their actual physical ascension in their physical, tangible bodies and would in fact ascend and not die, and that during such ascension said persons would have the ability to and would associate with alleged divine entities and 'ascended masters' and would at their pleasure be able to return from their ascended position to earth and re-ascend if they so desired. And did further represent that persons who had accepted the teachings and doctrines taught by the defendants had in fact so ascended in their physical, tangible and earthly bodies; whereas in truth and in fact the defendants, and each of them, had no foundation for such representations and knew that said representations were false and fraudulent; [1024]

"(19) That all of said representations, pretenses, and promises were made, or caused to be made, by the defendants to the said persons to be defrauded, and as a part of the said scheme and artifice to defraud the said persons intened to be defrauded, as aforesaid; that said representations, pretenses, and promises were made, and caused to be made by said defendants to said persons intended to be defrauded through, and by means of, certain oral statements, books, magazines, letters, radio broadcasts, writings, and papers so worded, constructed and expressed as to deceive, and they were then and there intended to deceive the said persons intended to be defrauded,

and any person who might hear or receive them, which oral statements, books, magazines, letters, radio broadcasts, writings, and *appers* are too numerous and too voluminous to be set forth in this indictment, and for that reason the grand jurors aforesaid omit the same;

"(20) At the time of making all of the aforealleged representations by the defendants, and each of them, the defendants, and each of them, well knew that all of said aforementioned representations were false and untrue and were made with the intention on the part of the defendants, and each of them, to cheat, wrong and defraud persons intended to be defrauded, and to obtain from persons intended to be defrauded by the defendants, money, property, and other things of value and to convert the same to the use and the benefit of the defendants, and each of them; and the defendants intended and did, in fact, by reason of the aforementioned representations, enrich themselves from the class of persons above described as the persons intended to be defrauded and obtain money, property and other things of value which the defendants, and each of them, intended to and did convert to themselves under the guise and pretense of salaries, loans, bonuses, 'love gifts,' donations, expensive and luxurious living accommodations, and expensive traveling facilities; * * *"

The counts in the indictment were based upon the United [1025] States statute which is commonly denominated as the mail fraud statute. The statute

is rather lengthy but so far as this trial is concerned, it charges in substance as follows:

"Whoever having devised or intended to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations or promises—shall, for the purpose of executing such scheme or artifice or attempting so to do, place or cause to be placed any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post office—or other letter box of the United States or authorized depository, or mail matter to be sent or delivered by the post office establishment of the United States, or shall take or receive any such therefrom—or shall knowingly cause to be delivered by mail according to the directions thereon, any such letter, writing, etc.—shall suffer the penalty provided for by law."

The first of the offense, that is, an essential element of it is, first, the devising of a scheme to defraud, and, second, the utilization of the United States mail in the furtherance of said scheme.

One man or woman may devise and accomplish it without assistance, but all who with criminal intent join themselves to the principal scheme are subject to the statute although they may not know completely their own share in the wrong-doing. The law is, that whoever directly commits any act constituting an offense, as provided in any of the laws

of the United States, or who aids, abets, counsels, induces or procures its commission, is equally a principal, so that whoever knowingly aids, abets or induces the doing of any act constituting a violation of the statute involved is just as guilty as the principal schemer.

As I have heretofore said, the Government charges in this indictment that the defendants, in the furtherance of this alleged [1026] scheme and artifice, have sent through the United States mail or placed in the United States mail, or caused to be delivered through the United States mail, 10 separate communications or letters. The placing of a letter in the United States mail or sending it, or causing it to be delivered in furtherance of a scheme to defraud, completes the offense, and each of such communications put, or caused to be delivered, in the United States mail in furtherance of the scheme to defraud constitutes a separate offense.

In a general way, the charges as to the counts two to eleven are that the defendants entered into this unlawful scheme, as alleged, and mailed the ten communications set forth in the indictment in furtherance of the scheme alleged.

Neither the fact that the defendants have been indicted nor the indictment itself is evidence of their guilt, and cannot prejudice them in any way in this trial.

The indictment is the mere formal charge upon which they are brought to trial. The indictment is found by a United States grand jury upon evidence presented to it and in the judgment of the

grand jury warranted the finding of an indictment and required that the defendants be placed upon trial before a petit jury to determine the truth of the allegations of the indictment. It is merely the method by which men who are charged with crime are placed upon trial.

A defendant is presumed to be innocent at all stages of the proceeding until all of the evidence presented shows him to be guilty beyond a reasonable doubt. And this rules applies to every material element of the offense charged. Mere suspicion will not authorize a conviction.

No juror in this case should permit himself to be, to any extent, influenced in this case against the defendants because or on account of such indictment's being on file; an indictment is a mere means of bringing a charge before a court for the determination of its truth by a court and jury.

[1027]

On the issue of the guilt or the innocence of the defendants you should totally disregard every averment of fact contained in the indictment. The facts necessary to convict must be proved by testimony and evidence and cannot be established by the action of the grand jury in the returning of the indictment.

To this indictment the defendants and each of them have entered a plea of not guilty and upon the issue thus joined the burden rests upon the government to prove to the satisfaction of each juror beyond a reasonable doubt every material allegation of the indictment.

You are instructed that unless you find beyond a reasonable doubt that the defendants were engaged in a scheme substantially as alleged in the indictment you must acquit the defendants, without regard to whether or not the letters and other material specifically described in the various counts of the indictment were mailed. It is not sufficient for the prosecution to prove some other or different scheme to defraud or some other or different scheme to obtain money or property by means of false and fraudulent pretenses, representations or promises, but the prosecution must prove, before it can ask a conviction at your hands, a scheme substantially as laid in the indictment.

The defendants are not on trial for having devised a scheme other than that laid in the indictment, and even though you be convinced beyond a reasonable doubt that defendants or some of them may have devised a scheme to defraud which is not substantially the same as the scheme alleged in this indictment you would nevertheless return a verdict of not guilty.

You observe that there are six different defendants on trial here, all charged with having violated certain laws of the United States. It goes without saying, of course, that though all of the six different defendants are charged jointly, yet the guilt or innocence of each defendant must be determined by the jury [1028] separately. Each defendant has the same rights as though he or she were being tried alone.

In the course of these instructions the words "Defendants" and "Defendant" will, for sake of economy, be frequently used, and unless some particular defendant is named, it will be understood that each defendant is thus specifically referred to; and any instructions given referring to "Defendants" or "Defendant" generally, will be understood and considered by you as referring to each defendant separately and individually.

The letters and writings set forth in the different counts of the indictment must be separately considered, and a defendant or defendants may be convicted or acquitted on all or any of the different counts, as you may in your judgment determine. Having the indictment before you for examination, you will examine particularly the separate charges therein set forth.

It is not necessary that any or all of the defendants did, in person, mail or cause to be mailed the letters, writings circulars or magazines described in the indictment. It is sufficient if, pursuant to the directions of one or any of the defendants, that their agent, or some other person, may have in fact actually mailed, or caused to be delivered, the letters and writings involved.

It is also true that if any one, or any of the defendants may have mailed any of the writings or letters described in the indictment (which you may find they did in fact mail or caused to be mailed) and the other defendants were a party to the scheme or artifice to defraud, or the conspiracy so

to defraud, as described in the indictment; if such in fact did exist, then all of the defendants who were a party to any such scheme or conspiracy are equally liable, even though they in fact did not actually direct the use of the United States mails; provided, further, that such defendants were parties to the scheme to defraud, or the conspiracy, as charged, at the time any such letters were mailed or caused to be delivered in [1029] the United States mail.

It is no excuse that the actual mailing may have been done by a clerk or agent, or some other person, if in truth and in fact it was pursuant to the directions of either one or all of the defendants as charged in the indictment.

It is not essential that the Government prove each and every false pretense or representation alleged to have been made or intended to be made, but it is essential that proof be made that the defendants did devise a scheme to defraud of substantially the kind and character alleged, and that one or either of them employed any one of the false and fraudulent representations and pretenses alleged, and in the furtherance of such scheme used the United States mails in the manner alleged in the indictment.

You are instructed that it is no excuse or defense to those on trial that others not on trial or not indicted appear from the evidence to be implicated in the scheme alleged in the indictment. You are to consider the guilt or innocence of those

on trial without regard to the culpability of others not on trial.

One of the elements which you must find from the evidence to exist beyond a reasonable doubt before you may convict any defendant, is that such defendant had the intention to deprive one or more of the persons described in the indictment as constituting the class to be defrauded of their money or property by means of false or fraudulent pretenses, misrepresentations, or promises.

The Constitution of the United States provides:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." This, in very simple language, guarantees that every man shall have the right to worship God according to the dictates of his own conscience. This is one of the best, if not the very best, gifts of a single blessing man ever conferred upon humanity. The Constitution of the United States, and all the provisions thereof, should be guarded by the [1030] courts with the most sacred care to see that its protecting influence shall be enjoyed by every person entitled to its benefits. And, in protecting the Constitution, it is just as much the duty of the courts to see that it does not come into disrepute by permitting it to be made a cloak or shield for fraud or other abuse.

This case does not present a question of the lawfulness of the calling of a mental healer, or of a religious healer, or whether or not mental science or prayer healing is a fraud, but it presents the ques-

tion of the good faith of the defendants. You should consider this case with the distinct understanding that the practice of mental healing, suggestive healing, or healing by prayer, or other religious process, is, in Federal law, as lawful as healing by drugs, or by any science or practice. As to the right to use the postal establishment of the United States, no discrimination is made between those whose vocation is healing, whether they be allopathists, homeopathists, osteopathists, mental scientists or Christian Scientists, or the 'I Am' doctrine.

Notwithstanding the fact that by law one's individual freedom of worship cannot be challenged, it is also true that all persons in this country, including the leaders or formers of any philosophical movement, activity, or religion, are subject to the Federal laws the same as any other person and this, of course, includes that statute of the United States forbidding the use of the mails in the execution of a scheme to defraud.

And I charge you that even though a person or persons are advocating a religious activity, that they must do so in good faith and without making any substantial misrepresentations with the intent to deceive. In other words, religion cannot be utilized as a cloak or as a vehicle for the perpetration of a fraud in violation of the United States law: although legislation restricting the free exercise of any person's religion is forbidden, it does not follow that fraudulent practices under the guise of religion are immune from [1031] prosecution. It is

for you to say, therefore, in this case, from all the facts and circumstances, whether the defendants—one, either, or all of them—entered into or devised a scheme or artifice for the purpose of defrauding those who could be induced to buy the books and other articles they offered for sale, or who could be induced to give money or other things of value to the defendants, as charged in the indictment, or whether the defendants acted in good faith.

The defendants are not on trial for evolving or devising an improvident or impractical scheme, even though you should find their activity or movement to be such. Nor are the defendants on trial for mere errors of judgment; nor are they on trial for devising a new religion, if it be such, with whose tenets you may not agree. The question here is not, insofar as the particular doctrines taught by the defendants are concerned, whether or not those doctrines are sound, or even plausible, but whether or not they were promulgated in good faith and not for the purpose of fraudulently obtaining money from others.

If, in promulgating those doctrines, even though the defendants received money therefor and used the money as charged, the defendants were acting in good faith, they were not, as to them, engaged in a scheme to defraud. If you have reasonable doubt as to whether or not the defendants were acting in good faith, you should acquit them or those of them whom you find may have acted in good faith.

The term "religion" has reference to one's views of relations to his Creator, and to the obligations they impose of reverence for his being and character, and of obedience to his will. It is often confounded with the cultist or form of worship of a particular sect, but is distinguishable from the latter. The First Amendment to the Constitution, in declaring that Congress shall make no law respecting the establishment of religion, or forbidding the free exercise thereof, was intended to allow everyone under the jurisdic- [1032] tion of the United States to entertain such notions respecting his relations to his Maker and the duties they impose as may be approved by his judgment and conscience, and to exhibit his sentiments in such form of worship as he may think proper, not injurious to the equal rights of others, and to prohibit legislation for the support of any religious tenets, or the modes of worship of any sect.

With man's relations to his Maker and the obligations he may think they impose, and the manner in which an expression shall be made by him of his belief on those subjects, no interference can be permitted, provided always the laws of society, designed to secure its peace and prosperity, and the morals of its people, are not interfered with. However free the exercise of religion may be, it must be subordinate to the criminal laws of the country, passed with reference to actions regarded by general consent as properly the subject of punitive legislation.

An illustration may make the point more clear. It was the teaching and practice of a religious cult at one time to offer human sacrifice. Neither the Government nor the defendants, in this case, would contend that that practice could find protection under the Constitution of the United States.

The defendants cannot be prevented or restrained from honestly and sincerely entertaining the views the indictment alleges they pretended to entertain, nor from honestly and sincerely endeavoring to persuade others, by any legitimate means, to embrace the same notions, but the defendants cannot pretend to entertain the views therein specifically alleged for the false and fraudulent purpose of procuring money or other things of value from third parties by the use of the United States mails.

The question of the defendants's good faith is the cardinal question in this case. You are not to be concerned with the religious belief of the defendants, or any of them. The jury will be called upon to pass on the question of whether or not the defend- [1033] ants honestly and in good faith believed the representations which are set forth in the indictment, and honestly and in good faith believed that the benefits which they represented would flow from their belief to those who embraced and followed their teachings, or whether these representations were mere pretenses without honest belief on the part of the defendants or any of them, and, were the representations made for the purpose of procuring money, and were the mails used for this purpose.

The defendants in this case made certain representations of beliefs in a divinity and in a supernatural power. Some of the teachings or representations of the defendants might seem extremely improbable to a great many people—for instance: the appearance of Jesus to dictate some of the works which have been introduced in evidence; the incident testified to by one of the defendants, Mrs. G. W. Ballard, that she shook hands with Jesus and that frequently Saint Germain and other 'ascended masters' appeared to defendant, Mrs. Ballard, and gave certain dictations—these and other similar representations and statements might seem highly improbable to many people. Whether these incidents actually happened or not is not for your consideration. The religious beliefs of these defendants are not an issue in this court and not for your consideration. The issue is: "did these defendants honestly and in good faith, believe that these incidents actually happened?" If they did they should be acquitted. If these defendants did not believe these incidents actually happened and did not believe that Jesus came down and dictated or that Saint Germain came down and dictated, and did not believe the representations and statements which they wrote, nor the statements and representations which they preached, and used the mails for the purpose of getting money, or other things of value, you should find them guilty. Approximately 300 exhibits have been introduced on the part of the government and the defendants. The books, magazines, letters and

decrees are all before you for your consider- [1034] ation, and these exhibits contain the teachings or the philosophy and the representations of the defendants. The defendants have not withdrawn a single word of what has been written or what has been preached. These exhibits contain the entire conception of the defendants' relationship with the diety or, as it is used here, with the "I Am Presence."

It is alleged in the twelfth count of the indictment that the defendant now on trial, together with Guy W. Ballard, Carolie Hendrickson, John C. Koster, Harry N. Rogers, and Ted Dahl, named as co-conspirators but not indicted, conspired, combined, confederated and agreed among themselves and with each other to devise the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, as alleged in the first count of the indictment, and also to use the mails for the purpose of executing that scheme; in other words, it is charged that the defendants now on trial and certain other persons above-mentioned but not indicted conspired to form the scheme and artifice to defraud described in the first count of the indictment, and also conspired to carry out that scheme, or attempt to carry it out, by the use of the United States mails.

Under the United States statutes it is constituted a crime against the United States if two or more persons conspire to commit any offense against the

United States, and one or more of such parties do any act to effect the object of the conspiracy. There are, therefore, two elements which go to make up the crime. The first is the act of conspiracy to commit an offense against the United States, and the second is the doing of some act by one or more of the parties to effect the object of the conspiracy.

Conspiracy is a combination of two or more persons, by some concerted action, to accomplish some criminal or unlawful purpose, or to accomplish some purpose not in itself criminal or unlawful by criminal or unlawful means. [1035]

Mere knowledge or acquiescence of the existence of a conspiracy is not sufficient to constitute one a party to a conspiracy. There must be an intentional participation in the transaction.

However, the combination may be by express understanding or agreement between the parties, but it need not be so arrived at. It may be arrived at by tacit and common assent, without specific mutual arrangement, as when parties work and act together under a manifestly common design or intent to effectuate a common unlawful purpose. Thus, if two or more persons by their acts and deportment, pursue a common project or design, by the same adaptable means, one performing one part of the common plot and another, or others, another part or parts thereof, so as to complete it, all with the view of attaining the object which they are pursuing, this will be sufficient to constitute a conspiracy.

There need not be even previous acquaintance.

nor is it essential that each conspirator should know the exact part or parts to be performed by the other or others in execution of the conspiracy. In other words, it is sufficient if two or more persons, corruptly and with knowledge of what they are doing, by their acts and conduct cooperate and work together and in unison, in pursuance of a common design or purpose, for the obvious effectuation or consummation of a common object, if that object be criminal in character or unlawful and this whether or not there was at any time an assembling of the parties or specific understanding between or among them. Of course, under the statute, one or more of the parties must have done some act to effect the object in view by them, in order to complete the offense or statutory conspiracy.

Conspiracy is a combination or agreement between two or more persons by concert of action *of* accomplish some criminal or unlawful purpose, or some lawful purpose by criminal or unlawful means. In this case the charge is a conspiracy to accomplish an unlawful [1036] purpose, to-wit, the violation of a statute of the United States.

In every conspiracy, specific criminal intent, that is, the intent to accomplish or encompass an unlawful object, is an essential element of the crime. There can be no conspiracy without this unlawful or criminal intent on the part of each of the parties thereto. The actual criminal or wrongful purpose must accompany and form a part of the agreement, and it must be proved, as a substantive fact in the

case, to your satisfaction and beyond a reasonable doubt.

The understanding, combination, or agreement between the parties to effect the unlawful purpose charged, must be proved, because without such corrupt agreement or understanding there is no conspiracy.

It may be that there was a conspiracy—that is, a combination, agreement or confederacy among the defendants—to make use of the United States mails in furtherance of the business and affairs of these defendants and the corporations named; it may be that in execution of such agreement, the mails were so used, but unless a common and underlying intent of that confederacy was to defraud, the statute of the United States prohibiting a misuse of the mails has not been violated.

In order to establish the connection of any particular defendant with the conspiracy, such connection must be shown by facts or circumstances independent of the declarations of others; that is, by his own acts, conduct or declarations, and until this fact is thus established, he is not bound by the declarations or statements of others. The principle of law and the rule of evidence is that when once a conspiracy or combination is so established and the defendant is shown by independent evidence to be a party thereto, then he is bound by the acts, declarations and statements of his co-conspirators done and made in furtherance of the conspiracy, because, in that event, each is deemed to assent to or commend

what is done by any of [1037] the others in furtherance of the common object. The alleged connection of any one of the defendants with the alleged conspiracy, if any existed, must be shown by facts or circumstances independent of the statements of other defendants made in his absence, and that when once that connection is thus shown, then he becomes affected and bound by the declarations and acts of the other parties to the conspiracy, if any, made and done in the furtherance of the common enterprise, and during his connection therewith.

In view of the foregoing rule, therefore, it will be necessary for you to take up and consider the evidence as it relates to each defendant on trial, separately, and in considering whether or not he was a party to the conspiracy or agreement, if you find there was one, you are only to take into consideration his own statements, actions and conduct, and his own connection with the actions and conduct of others as shown by the evidence, independent of any statements or declarations made by others in his absence; and unless you find from such evidence that he was a party to *sh*uch conspiracy, if one existed, then it would be your duty to acquit him. If, however, you find that he was a party to such conspiracy, then the statements and declarations of his co-conspirators may be considered as if made by him.

You must not permit yourselves to use against the defendant, anything said or done outside the presence of such defendant, unless you believe from

the evidence, beyond a reasonable doubt, that at the time the things were said or done a conspiracy existed between the party saying and doing the things and the defendant to be affected thereby. In such a case it is only those things said or done in furtherance of the objects of the conspiracy which are chargeable against the other member or members of such conspiracy, or things said or done while executing the objects of said conspiracy, and being a part of the transaction then being done.

In the crime of conspiracy the acts and admissions of [1038] any one of the conspirators, while engaged in the effectuation of the object of the conspiracy, are deemed to be the acts and admissions of all, and all alike binding as to all. Not so if the acts or admissions are d*ne* or made previous to entering into the conspiracy or after the same has been dissolved, or the parties thereto have ceased their cooperation. In such case the acts and admissions are binding only upon the one acting or speaking. The offense charged in the indictment must be accomplished knowingly and with a corrupt purpose and motive to do some unlawful act or acts, as alleged in the indictment; that is, to commit an offense or offenses against the Government in transgressing the statute denouncing the use of the United States mails in connection with a scheme to defraud, which statutes I have heretofore explained (or read) to you.

Again, one who, after a conspiracy is formed, with knowledge of its existence and the purpose

thereof, joins therein and aids and participates in its execution, becomes as much a member thereof from that time as if he had been an original conspirator; but you must understand that one cannot be made a member of the conspiracy except by his own conscious acts and by his knowledge of the formation of such a conspiracy and his willingness and intention to participate therein. If, therefore, you should find that a conspiracy had originally been formed and that certain of the defendants subsequently had done things which were the object of such conspiracy, yet they would not be guilty of this charge unless in addition thereto you find that they consciously, knowingly and corruptly entered into the conspiracy that had originally been formed and that their acts were the result of a joint and corrupt concert of action.

The defendants meet the entire charge contained in the indictment with the assertion and claim upon their part that whatever they did and whatever representations they made, through the mails or otherwise, was done in entire good faith and in the sincere belief in the truth of whatever they asserted to be the fact. This claim on [1039] their part, as indicated hereinabove, unless overcome by the proof adduced in behalf of the government, negatives their guilt of the charge against them. The government asserts, of course, that in their conduct they were not actuated by good faith, but on the contrary were at all times moved and inspired by a disposition and intent to defraud, in the manner set out in the indictment.

"Fraud" as used in this connection, may be defined as an intentional perversion of the truth for the purpose of obtaining some valuable thing from another.

You are instructed that a scheme to defraud may accompany a legitimate business or movement, for it is well settled that a fraudulent scheme may be within the statute even though used in the prosecution of an established business, legitimate if honestly conducted, and does not only include those enterprises which by their very nature are unlawful.

You are instructed that no matter how seemingly fair and honest a scheme may appear, if the purpose of it is to defraud it is a violation of the statute which is aimed at every scheme designed in fact to defraud, where misrepresentations as to past or present facts are used or false promises made as to the future. It is with the purpose of preventing the post office from being used to carry fraudulent designs into effect that the statute was passed.

The separate intent of each defendant charged under the provisions of the law stated is a material element necessary to prove the offense as against them, and in arriving at a decision upon that question all the facts and circumstances shown in the case as touching the conduct of the defendants should be considered. If a man shall make to another a representation as to things which do not exist and it appears that he has no reasonable

ground to believe that the fact is as he states it, such statements and conduct are to be taken into consideration in determining whether an innocent misstatement was made in good faith, or whether the intent was that [1040] others were to be deceived and that the first person should reap a benefit and others suffer a loss. Criminal intent may be implied from the acts and conduct of an accused. His acts and his conduct, considered in their relation to the charge made, may establish satisfactorily a criminal intent, notwithstanding the declarations of a defendant that no such intent was present in his mind. On the other hand, if the statements alleged to have been falsely and fraudulently made by a defendant were made in good faith, and the defendant believed at the time or had reason to believe them to be true, they would not be evidence of fraud. However, a reckless statement of a thing as a fact, or which the narrator is ignorant, and as to which he has no honest belief as to its truth, may be considered as a false representation within the meaning of the law applicable to this case. The matter of the acts and intent of each defendant is to be separately determined by you. You may find one or more of the defendants guilty, or any or all not guilty, as you may determine the evidence warrants.

You are instructed, "that although a man might not be charged for his honest beliefs, however imbecilic the might be, it is not necessary to show that he disbelieved what he said: Some utterances are in

such form as to imply knowledge at first-hand, and the utterer may be liable, even though he believes them, if he has no knowledge on the subject. And all unconditional utterances, intended to be taken seriously, imply at least a belief, and, if the utterer does not believe them, they are false, though his mind be quite indeterminate as to their truth."

You are instructed that it is not a defense for the defendants to show that the persons who purchased the books and other articles they offered to sell, or who made contributions to one, either or all the defendants received a return for the money they so contributed, and that it is not essential to the commission of the offense covered by the mail fraud statute that there be on the [1041] part of the accused either expectation or realization of pecuniary gain to himself. It is enough if the accused be actuated by an intention to defraud the persons to whom the false statements or representations are made.

In other words, it is not necessary for the government to show that the articles purchased by the various students or the general public were worthless, as the extent of damage to the purchaser is not an element of the crime.

You are instructed that there can be an honest, though mistaken, judgment of the future from existing conditions. But there can also be alluring suggestions and predictions of what will come to pass, put forth without reasonable warrant, with the fraudulent intent to profit by inducing reliance

upon such representations made by the defendants among those who are credulous and uninformed. In other words, the statute pertaining to mail fraud not only refers to actual misrepresentations as to some existing fact but includes representations of allurement of a specious and glittering promise.

In this case if you find that the defendants, or either of them, with intent to defraud, devised a scheme and artifice to defraud and for the obtaining of money and property by means of false and fraudulent representations, I charge you that if you should so find beyond a reasonable doubt that it is no defense for the defendants to say that all the moneys or properties they obtained were utilized in expenses and in carrying out the activity which they were sponsoring for the law forbids the devising of a scheme to defraud, where, as a part of such scheme the mails of the United States are utilized, even though the defendants may have derived no personal profit and may have nothing left of that which they obtained. The offense is complete when the scheme has been devised for an unlawful purpose and the mails are utilized in furtherance thereof, even though the defendants ultimately may not have profited by virtue of their unlawful enterprise. [1042]

The declaration of the defendant given on the witness stand, that he believed any representations made by him to be true or that promises made by him were in good faith intended to be fully performed, is not conclusive on the question of good

faith and criminal intent. You must take the whole case as it is made by the evidence and from that evidence, including any declaration of the defendant made to the effect aforesaid, determine for yourselves whether in fact the representations, pretenses or promises were made in good faith or with fraudulent intent.

The mere fact that the scheme would not have deceived one of ordinary intelligence, should you find such to be the case, and the fact that it would only deceive the credulous does not relieve the wrongdoer from responsibility.

Because I have not particularly referred by name to each defendant, in discussing features of the case and the evidence, is not to be taken by you as an indication that I believe any defendant is entitled to less consideration at your hands than others. The whole charge as given you is intended to apply to the case of each defendant.

You will apply the instructions of the court to the case of each separate defendant, regardless of whether the separate names are expressed therein.

With reference, further, to this question of intent, you are instructed that if defendants honestly believed in the doctrines which they announced, then no matter how visionary their views may have been, no matter how ill-founded their conclusions may have been, no matter how much sheer incompetence in the exercise of business judgment may have been their portion, unless, in the making of the statement and representations complained of, they were

actuated by an intent to defraud, they are entitled to go free and your verdict should so determine.

The ultimate question of fact before you as a jury is [1043] as to the good faith of the defendants, and that question involves their belief in their representations and promises. While their belief is not the subject of direct proof, it may be ascertained from circumstances, and by proof of their actions and declarations. If the defendants were practicing their calling in good faith, the fact that they received compensation for their advice and services is of no consequence.

If the representations intended to be made, as alleged in the indictment, were false, and the defendant honestly believed them to be true, then such representations would not be fraudulent. If, however, such representations were false and the defendant, knowing their falsity or not believing them to be true, intended that they should be made to deceive and induce certain persons to whom they were to be made, to part with value, then said scheme was one to defraud.

You are instructed that even if you should find and believe that the representations intended to be made as alleged in the indictment, not only were made but were false, nevertheless, if the defendants so making them or responsible for their making, in good faith believed them to be true, then said representation within the meaning of the Federal Statute in question, would not be fraudulent and you would not be justified in inferring the existence of

a fraudulent intent on the part of the defendants because of their having been made. It is, of course, true that a fraudulent intent is never presumed; to the contrary the law presumes that all men are honest—in their motives, their dealings, their relations with one another; that they are ever actuated by good faith, and must not be adjudged to be in want thereof or to be inspired by fraud or an evil intent except upon proof of the same beyond a reasonable doubt. So, too, in this same connection, where a given transaction or series of transactions that may be called in question is reasonably susceptible of two different constructions—one that is fair and honest and in [1044] consonance with good faith, and the other dishonest and in keeping only with a fraudulent intent—then the law says that the jury must adopt the construction in favor of honest, fair dealing and good faith and reject the other looking to the contrary direction.

A defendant cannot be convicted if all of the evidence is as fairly consistent with his innocence as with his guilt. He cannot be convicted in the absence of an actual fraudulent intent, no matter how fanciful or unreal the teachings of the 'I Am' movement may appear to you, nor how inconsistent with sound judgment they may seem to you to be. The intent, you understand, is a question of fact at all times and must be found by you in the light of all of the evidence and beyond all reasonable doubt.

The good faith of the defendants, or their bad faith in this matter is to be determined by their

several acts and declarations construed and interpreted by the conditions existing at the time the statements, representations or promises were made and as they appeared to the defendants at the time they were made, and not by the final result of the movement. The defendants are not on trial for evolving or devising an improvident, impractical or fantastic scheme, even though you believe the plan to have been such. They are not on trial for errors of judgment. They are on trial for a criminal offense and an essential element of that offense is an evil or criminal intent, which it is incumbent upon the government to prove to your satisfaction and beyond all reasonable doubt; and if, under all of the evidence, the government has failed to prove the existence of such evil or criminal intent in the minds of the defendants, then it is your duty to acquit.

Before you would be justified in finding the defendants had made false representations such as could be made the basis of finding them guilty in this case, you must find that whatever, if any false representations they made, were made with intent to defraud. An incorrect statement does not amount to fraud in law, unless the [1045] false representations were knowingly and wilfully made with fraudulent intent.

You are further instructed that by the words "overt acts" is meant the things which it is alleged in the indictment were done in furtherance of and to effect the objects of the conspiracy.

The purpose of the conspiracy may be continuous; that is, it may contemplate the commission of several offenses or overt acts. The crime is completed when an overt act effecting the object of the conspiracy is done by at least one of the conspirators. The phrase "overt act" merely means that it is an act done in furtherance of or to effect the object of the conspiracy apart from the conspiracy itself.

The overt act need not be a criminal act nor the very crime that is the object of a conspiracy. It must, however, accompany or follow the criminal conspiracy or agreement, and must be done in furtherance of the object of it.

A conspiracy, if once established or proved, is presumed to continue until the contrary is established.

All of the conspirators need not join in the commission of an overt act, for if one of the conspirators commits an overt act it becomes the act of all of the conspirators, but one—to be guilty of the crime of conspiracy—must join in the agreement. In the situation where a conspiracy has been formed the joiner thereof by a new member does not create a new conspiracy and does not change the status of the other conspirators, and the new member is as guilty as though he was an original conspirator.

One who commits an overt act with knowledge of the conspiracy is guilty even though he is absent when the crime which is the object of the conspiracy is committed. Each defendant's knowledge as

to the scope of the conspiracy may be limited and he need not know all the details of the plan or the operation. Each defendant need not have knowledge of all who are members in the [1046] conspiracy or of the part played by each of such members. In fact, a defendant may obtain utterly no reward and still be a party to the conspiracy. He must, however, know the purpose of the conspiracy, otherwise he cannot be found guilty.

In considering the credibility to be attached to the testimony of any witness, you have the right to take into consideration the nature and character of his testimony, and if you have a reasonable doubt as to the credibility of any witness whose testimony is essential to a conviction, you will resolve this doubt in favor of the defendants.

The rules of evidence ordinarily do not permit the opinion of a witness to be received as evidence. An exception to this rule exists in the case of expert witnesses. A person who by education, study and experience has become an expert in any art, science or profession, and who is called as a witness, may give his opinion as to any such matter in which he is versed and which is material to the case. You should consider such expert opinion and should weigh the reasons, if any, given for it. (You are not bound, however, by such an opinion. Give it the weight to which you deem it entitled, whether that be great or slight, and you may reject it, if in your judgment the reasons given for it are unsound.)

You are the sole judges of the credibility and the wieght which is to be given to the different witnesses who have testified upon this trial. A witness is presumed to speak the truth. This presumption, however, may be repelled by the manner in which he testifies; by the character of his testimony, or by evidence affecting his character for truth, honesty and integrity or his motives; or by contradictory evidence. In judging the credibility of the witnesses in this case, you may believe the whole or any part of the evidence or any witness, or may disbelieve the whole or any part of it, as may be dictated by your judgment as reasonable men. You should carefully scrutinize the testimony given, and in so doing [1047] consider all of the circumstances under which any witness has testified, his demeanor, his manner while on the stand, his intelligence, the relations which he bears to the government or to the defendant, the manner in which he might be affected by the verdict and the extent to which he is contradicted or corroborated by other evidence, if at all, and every matter that tends reasonably to shed light upon his credibility. If a witness is shown knowingly to have testified falsely on the trial touching any material matter, the jury should distrust his testimony in other particulars, and in that case you are at liberty to reject the whole of the witness' testimony. The defendant has offered himself as a witness and has testified in the case. Having done so, you are to estimate and deter-

mine his credibility in the same way as you would consider the testimony of any other witness. It is proper to consider all of the matters that have been suggested to you in that connection, including the interest that the defendant may have in the case, his or her hopes and his or her fears, and what he or she has to gain or lose as a result of your verdict. You are not limited in your consideration of the evidence to the bald expressions of the witnesses; you are authorized to draw such inferences from the facts and circumstances which you find have been proved as seem justified in the light of your experience as reasonable men.

A defendant is presumed to be innocent at all stages of the proceeding until the evidence introduced on behalf of the government shows him to be guilty beyond a reasonable doubt. And this rule applies to every material element of the offense charged. Mere suspicion or mere probability will not authorize a conviction. A reasonable doubt is such a doubt as you may have in your minds when, after fairly and impartially considering all of the evidence, you do not feel satisfied to a moral certainty of the defendant's guilt. In order that the evidence submitted shall afford proof beyond a reasonable doubt, it must be such as you would be willing to act [1048] upon in the most important and vital matters relating to your own affairs. Reasonable doubt is not a mere possible or imaginary doubt or a bare conjecture; for it is difficult to prove a thing to an absolute certainty. You are to consider the

strong probabilities of the case. A conviction is justified only when such probabilities exclude all reasonable doubt as the same has been defined to you. Without it being restated or repeated, you are to understand that the requirement that a defendant's guilt be shown beyond a reasonable doubt is to be considered in connection with and as accompanying all the instructions that are given to you.

You are instructed that matters of fact, if any, which are left uncertain by the evidence, cannot be made certain to the prejudice of the defendant by inferance. In the absence of evidence, no inference can be drawn by the jury against the defendant; but, on the contrary, all the inferences and presumptions consistent with the facts proved are to be drawn and indulged in favor of the innocence of the defendant. No fact or circumstance upon which you may base a conclusion of guilt is sufficient, unless such fact or circumstance has been proved beyond a reasonable doubt and to the same extent as if the whole conclusion depended upon that one fact or circumstance.

If upon a fair and impartial consideration of all of the evidence in the case the jury find that there are two reasonable theories, supported by the testimony in the case and that one of such theories is consistent with the theory that the defendant is guilty, as charged in some one or more or all of the counts in the indictment and that the other of such theories is consistent with the innocence of the defendant, then it is the policy of the law, and the

law makes it the duty of the jury to adopt that rule which is consistent with the innocence of the defendant and in such case to find the defendant not guilty.

You are to consider the strong probabilities of the case. [1049] A conviction is justified only when such probabilities exclude all reasonable doubt as the same has been defined to you. Without it being restated or repeated, you are to understand that the requirement that a defendant's guilt be shown beyond a reasonable doubt is to be considered in connection with and as accompanying all the instructions that are given to you.

You shall not consider as evidence any statement of counsel made during the trial, unless such statement was made as an admission or stipulation conceding the existence of a fact or facts.

You must not consider for any purpose any evidence offered and rejected, or which has been stricken out by the court; such evidence is to be treated as though you never had heard it.

You are to decide this case solely upon the evidence that has been admitted by the court, and the inference that you may reasonable draw therefrom, and such presumptions as the law may deduce therefrom, as directed in my instructions, and in accordance with the law as I state it to you.

Unless you find from the evidence beyond a reasonable doubt that the defendant Edna W. Ballard was a party to the scheme or artifice to defraud

charged in the indictment on the date when any particular letter or other mail matter was placed in any post office or station thereof, or street or other letter box of the United States or authorized depository for mail matter to be sent or delivered by the post office establishment of the United States, you must find the defendant Edna W. Ballard not guilty with respect to any charge based upon the mailing of said letter or other mail matter; and unless you find that Edna W. Ballard was on the date of the commission of one of the overt acts described in Count 12—if you find beyond a reasonable doubt that such overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant Edna W. Ballard not guilty under Count 12. [1050]

Unless you find from the evidence beyond a reasonable doubt that the defendant Donald Ballard was a party to the scheme or artifice to defraud charged in the indictment on the date when any particular letter or other mail was placed in any post office or station thereof, or street or other letter box of the United States, or authorized depository for mail matter to be sent or delivered by the post office establishment of the United States, you must find the defendant Donald Ballard not guilty with respect to any charge based upon the mailing of said letter or other mail matter; and unless you find that Donald Ballard was on the date of the commission of one of the overt acts described in Count 12—if

you find beyond a reasonable doubt that such overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant Donald Ballard not guilty under Count 12.

Unless you find from the evidence beyond a reasonable doubt that the defendant Betty Mundy was a party to the scheme or artifice to defraud charged in the indictment on the date when any particular letter or other mail matter was placed in any post office or station thereof, or street or other letter box of the United States or authorized depository for mail matter to be sent or delivered by the post office establishment of the United States, you must find the defendant Betty Mundy not guilty with respect to any charge based upon mailing of said letter or other mail matter; and unless you find that Betty Mundy was on the date of the commission of one of the overt acts described in Count 12—if you find beyond a reasonable doubt that such overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant Betty Mundy not guilty under Count 12.

Unless you find from the evidence beyond a reasonable doubt that the defendant Paul Stickell was a party to the scheme or artifice to defraud charged in the indictment on the date when any particular letter or other mail matter was placed in any post office [1051] or station thereof, or street or other letter box of the United States, or authorized depository for mail matter to be sent or delivered

by the post office establishment of the United States, you must find the defendant Paul Stickell not guilty with respect to any charge based upon the mailing of said letter or other mail matter; and unless you find that Paul Stickell was on the date of the commission of one of the overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant Paul Stickell not guilty under Count 12.

Unless you find from the evidence beyond a reasonable doubt that the defendant Louise Majerus was a party to the scheme or artifice to defraud charged in the indictment on the date when any particular letter or other mail matter was placed in any post office or station thereof, or street or other letter box of the United States, or authorized depository for mail matter to be sent or delivered by the post office establishment of the United States, you must find the defendant Louise Majerus not guilty with respect to any charge based upon the mailing of said letter or other mail matters; and unless you find that Louise Majerus was on the date of the commission of one of the overt acts described in Count 12—if you find beyond a reasonable doubt that such overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant Louise Majerus not guilty under Count 12.

Unless you find from the evidence beyond a reasonable doubt that the defendant William J. Cassiere was a party to the scheme or artifice to defraud

charged in the indictment on the date when any particular letter or other mail matter was placed in any post office or station thereof, or street or other letter box of the United States, or authorized depository for mail matter to be sent or delivered by the post office establishment of the United States, you must find the defendant William J. Cassiere not guilty with respect to any charge based upon the mailing of said letter or other [1052] mail matters; and unless you find that William J. Cassiere was on the date of the commission of one of the overt acts described in Count 12—if you find beyond a reasonable doubt that such overt act was committed—a wilful party to the conspiracy charged under said Count 12, you must find the defendant William J. Cassiere not guilty under Count 12.

You must weight and consider this case without regard to sympathy, prejudice, or passion for or against any party to the action.

The attitude and conduct of jurors at the outset of their deliberations are a matter of considerable importance. It is rarely productive of good for a juror, upon entering the jury room, to make an emphatic expression of his opinion on the case or to announce a determination to stand for a certain verdict. When one does that at the outset, his sense of pride may be aroused, and he may hesitate to recede from an announced position if and when shown that it is fallacious. Remember that you are not partisans or advocates in this matter, but are

judges. The final test of the quality of your service will lie in the verdict which you return to this courtroom, not in the opinions any of you may hold as you retire. Have in mind that you will make a definite contribution to efficient judicial administration if you arrive at a just and proper verdict in this case. To that end, the court would remind you that in your deliberations in the jury room there can be no triumph excepting the ascertainment and declaration of the truth. You are instructed that if the judge has said or done anything which has suggested to you that he is inclined to favor the claims or position of either party, you will not suffer yourself to be influenced by any such suggestion. I have not expressed, nor intended to express, nor have I intimated nor intended to intimate, any opinion as to what witnesses are, or are not, worthy of credence; (what facts are, or are not, established;) or what inferences should be drawn from the evidence adduced. [1053] If any expression of mine has seemed to indicate an opinion relating to any of these matters, I instruct you to disregard it.

It is your duty as jurors to consult with one another and to deliberate, with a view to reaching an agreement if you can do so without violence to your individual judgment. To each of you I would say that you must decide the case for yourself but should do so only after a consideration of the case with your fellow jurors, and you should not hesitate to change an opinion when convinced that it is erroneous. However, you should not be influenced

to vote in any way on any question submitted to you by the single fact that a majority of the jurors, or any of them, favor such a decision. In other words, you should not surrender your honest convictions concerning the effect or weight of evidence for the mere purpose of returning a verdict or solely because of the opinion of the other jurors.

Upon retiring to the jury room you will select one of your number to act as foreman, who will preside over your deliberations and who will sign the verdict to which you agree. As soon as all of you shall have agreed upon a verdict, you shall have it signed and dated by your foreman and then shall return with it to this courtroom.

Two forms of verdict will be given to you, gentlemen of the jury, one finding each of the defendants guilty as charged in each of the counts, and one finding the defendants not guilty as charged on each of the counts.

(Conference between the Clerk and the Court)

The Court: Mr. Cross advises me that the two forms are stated on one single paper instead of two separate papers, so with that correction we will receive this blank verdict.

Mr. Cannon: May I approach the bench a moment with counsel?

(Conference between Court and Counsel at the bench)

The Court: So there will be no misunderstanding, the only [1054] part of Count 1 that has been dismissed by the Court commences on line 21 on page

14, and includes all of page 15 and all of Count I that precedes line 20 on page 14, is understood to be re-incorporated and applied to each of the following counts.

Is that satisfactory?

Mr. Cannon: That is satisfactory.

Mr. Neukom: Very well. [1055]

Exception No. 93

After the jury had deliberated and returned a verdict of guilty as against the defendants Edna W. Ballard and Donald Ballard, motion was made in behalf of defendants Edna W. Ballard and Donald Ballard for arrest of judgment and for new trial. Said motions are in words as follows, to wit:

"In the District Court of the United States in and for the Southern District of California, Central Division.

Before the Honorable J. F. T. O'Connor.

No. 14858-O'C.

Criminal

"UNITED STATES OF AMERICA,

Plaintiff,

vs.

EDNA W. BALLARD, et al.,

Defendants.

MOTION FOR NEW TRIAL

Come now the defendants Edna W. Ballard and Donald Ballard in the above entitled action, jointly and severally, and move the Court that the verdict in this action against them, and against each of them, be set aside and that they, and each of them, be granted a new trial, upon the following grounds:

1. That the Court erred in decisions of questions of law arising during the course of the trial.
2. That the verdict is contrary to the law.
3. That the verdict is contrary to the evidence.
4. That the verdict is contrary to the law and the evidence.
5. Because the verdict is against the weight of the evidence.
6. Because the evidence is insufficient to sustain or justify the verdict.
7. Because the facts stated in the indictment against [1056] these defendants do not constitute an offense against the United States.
8. Because the Court erred in admitting, over the objection of the defendants, evidence for the introduction of which no proper or any foundation had been laid.
9. Because of other errors of law occurring at the trial, more fully shown by the transcript herein, which transcript is hereby referred to and relied upon by the defendants herein.

Wherefore, the defendants, Edna W. Ballard and Donald Ballard, pray that the verdict herein may be set aside and that they, and each of them, be granted a new trial.

Dated February 3, 1942.

.....

(Edna W. Ballard)

.....

(Donald Ballard)

DAVID H. CANNON
650 South Spring Street
Los Angeles, California

AMES PETERSON
925 Los Angeles Stock Exchange
Office Building
Los Angeles, California

W. I. GILBERT, JR.
939 Rowan Building
Los Angeles, California

HORACE J. DONNELLY, JR.
Washington, D. C.

By .....

(David H. Cannon)
Attorneys for said Defendants.

Receipt is hereby acknowledged of a copy of the foregoing this 3rd day of February, 1942.

WILLIAM FLEET PALMER,
United States Attorney.

By .....
Deputy Attorney,
Attorney for Plaintiff."

[1057]

Memorandum of points and authorities was served and filed with said Motion for New Trial

"In the District Court of the United States in and for the Southern District of California, Central Division.

Before the Honorable J. F. T. O'Connor.

No. 14585-O'C.
Criminal

"UNITED STATES OF AMERICA,
Plaintiff,

vs.

EDNA W. BALLARD, et al,
Defendants.

MOTION FOR ARREST OF JUDGMENT

Come now the defendants, Edna W. Ballard and Donald Ballard, and jointly and severally move the Court to refrain from entering a judgment against them, or against either of

them, based upon the verdict rendered in this case upon the following grounds:

1. That the said indictment does not, nor does any count or paragraph thereof, state facts sufficient to constitute a punishable offense or any offense or crime under the laws or under the Constitution of the United States and particularly said indictment does not, nor does any count thereof, state facts sufficient to constitute a violation of Section 338 or Section 88 of Title XVIII of the United States Code.

2. That said indictment, and each count, is duplicitous, ambiguous, indefinite and uncertain and is insufficient to enable the accused to make a defense or to properly inform the said defendants, or either of them, of the offenses with which they stand charged, or to enable one of common understanding to know and understand the nature of the charges made against the said defendants, [1058] and each of them.

Dated February 3, 1942.

.....

(Edna W. Ballard)

.....

(Donald Ballard)

DAVID H. CANNON
650 South Spring Street
Los Angeles, California

AMES PETERSON
925 Los Angeles Stock Exchange
Office Building
Los Angeles, California

W. I. GILBERT, JR.
939 Rowan Building
Los Angeles, California

HORACE J. DONNELLY, JR.
Washington, D. C.

By .....
(David H. Cannon.)
Attorneys for said Defendants.

Receipt is hereby acknowledged of a copy of the foregoing this 3rd day of February, 1942.

WILLIAM FLEET PALMER,
United States Attorney.

By .....
(Deputy Attorney.)
Attorney for Plaintiff"

Memorandum of points and authorities was served and filed with said Motion for Arrest of Judgment.

Said motions were denied. The Court stated in respect thereto as follows:

The Court: I have given consideration, gentlemen, to both motions made by the defendants Edna W. Ballard and Donald Ballard, one motion for

a new trial and a motion for arrest of judgment. The motion for new trial will be denied and the motion for arrest of judgment will be denied and exceptions allowed to both defendants. [1059]

Mr. Cannon: On each matter, your Honor.

The Court: On each matter.

Thereupon the court proceeded to pronounce judgment.

[Title of District Court and Cause.]

ORDER EXTENDING TIME WITHIN WHICH TO PREPARE AND FILE PROPOSED BILL OF EXCEPTIONS.

Upon request of Messrs. Roland Rich Wooley, Joseph F. Rank and Ralph C. Curren, attorneys for defendants and appellants, Edna W. Ballard and Donald Ballard, the time for the preparation, serving and lodging of appellants' proposed bill of exceptions, and within which to prepare, serve and file their assignments of error for said appellants, all in connection with the appeal in the above entitled action, is extended to and including sixty (60) days from the date of the filing of the notice of appeal, to wit, to and including April 20th, 1942 and the time for the settlement of said bill and the filing thereof with the Clerk is hereby extended to the 10 day of May, 1942.

Dated February 26, 1942.

J. F. T. O'CONNOR,
Judge.

Approved as to form:

RALPH E. LAZARUS. [1060]

[Title of District Court and Cause.]

STIPULATION RE PREPARATION OF BILL OF EXCEPTIONS.

It Is Hereby Stipulated by and between the government, through Wm. Fleet Palmer, United States Attorney, and Ralph E. Lazarus and Norman W. Neukom, Assistant United States Attorneys, and the defendants and appellants, Edna W. Ballard and Donald Ballard, through their respective attorneys, Roland Rich Woolley, Ralph C. Curren, and Joseph F. Rank, that in the preparation of the bill of exceptions on appeal herein and in the preparation of the proposed bill of exceptions of appellants that only such portions of the letter exhibits need be incorporated in said bill of exceptions as were actually read into evidence by either counsel for the government or counsel for the defendants at the trial of the above entitled matter.

It Is Further Stipulated that as to all books, pamphlets, magazines, particularly the various issues of "The Voice" magazine, and as to any other documentary evidence introduced in evidence as exhibits by either party, other than the letter exhibits above referred to, that there need be in said bill of exceptions only reference made to the exhibit number and page wherefrom such reading took place, together with the designation as to which counsel at such time read therefrom.

It Is Further Stipulated that all exhibits in the above matter may be physically transmitted to the Circuit Court of Appeals for consideration in connection with the appeal.

It Is Further Stipulated that the bill of exceptions [1061] will provide that all exhibits are deemed to be a part of the bill of exceptions.

Dated: March 25, 1942.

WM. FLEET PALMER,
United States Attorney.

RALPH E. LAZARUS,
NORMAN W. NEUKOM
Assistant United States
Attorneys.

By RALPH E. LAZARUS,
Attorneys for Plaintiff.

ROLAND RICH WOOLEY,
RALPH C. CURREN,
JOSEPH F. RANK,

By JOSEPH F. RANK,
Attorneys for Defendants.

The above stipulation is approved and it is so ordered.

J. F. T. O'CONNOR,
United States District Judge.

The foregoing bill of exceptions contains all of the evidence given or offered on the trial of the cause of United States of America, plaintiff, v. Edna W. Ballard and Donald Ballard, defendants, except such exhibits as pursuant to order and stipulation are to be deemed a part of the bill without being set forth in full therein, and said bill correctly shows the proceedings had on said trial and said bill of exceptions is correct in all respects and is hereby approved, allowed, settled and made a part of the record herein.

Dated at Los Angeles, California, this 8 day of May, 1942.

J. F. T. O'CONNOR,
Judge. [1062]

It Is Hereby Stipulated by and between the plaintiff and the defendants Edna W. Ballard and Donald Ballard in the above entitled action, through their respective counsel, that the foregoing bill of exceptions contains all of the evidence given or offered on the trial of the cause herein and correctly shows the proceedings had on said trial and that said bill of exceptions is correct in all respects.

Dated at Los Angeles, California, this 7th day of May, 1942.

WM. FLEET PALMER,
United States Attorney.
RALPH E. LAZARUS,
NORMAN W. NEUKOM,
Assistant United States Attorneys.
By NORMAN W. NEUKOM,
Attorneys for Plaintiff.

ROLAND RICH WOOLLEY
RALPH C. CURREN
JOSEPH F. RANK
By ROLAND RICH WOOLLEY
Attorneys for Defendants.

[Endorsed]: Filed May 8, 1942. [1063]

[Endorsed]: No. 10059. United States Circuit Court of Appeals for the Ninth Circuit. Edna W. Ballard and Donald Ballard, Appellants, vs. United States of America, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

Filed June 3, 1942.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

In the United States Circuit Court of Appeals for the Ninth Circuit

No. 10059

UNITED STATES OF AMERICA,

Appellee,

vs.

EDNA W. BALLARD and DONALD BALLARD,

Appellants.

SUBSTITUTION OF ATTORNEYS

Comes now David H. Cannon, Esq., one of the attorneys for the appellants, and by and with the consent of the said appellants hereby withdraws as such attorney, and substitutes in his place and stead Joseph F. Rank, Esq., and Ralph C. Curren, Esq., to be associated with Roland Rich Woolley, Esq., as attorneys for said appellants.

Dated: February 23, 1942.

DAVID H. CANNON.

We hereby consent to this substitution.

EDNA W. BALLARD AND
DONALD BALLARD,
By ROLAND RICH WOOLLEY
Their Attorney

We hereby consent to act as the attorneys for the above-named appellants.

ROLAND RICH WOOLLEY
JOSEPH F. RANK
RALPH C. CURREN

The foregoing substitution is hereby ordered.

Dated: February 24, 1942.

FRANCIS A. GARRECHT

Circuit Judge.

Akn. receipt this 24th day of February, 1942.

RALPH E. LAZARUS

Ass't. U. S. Atty.

[Endorsed]: Filed April 25, 1942. Paul P. O'Brien, Clerk.

[Title of Circuit Court of Appeals and Cause.]

ORDER FOR TRANSMITTAL OF EXHIBITS

Upon the application of the appellants, Edna W. Ballard and Donald Ballard, and the stipulation of the parties, and good cause appearing therefor

It Is Ordered and Directed that the original exhibits introduced upon the trial of this action shall be deemed a part of the bill of exceptions settled by the District Court and transmitted to this Court upon the hearing of this appeal:

It Is Further Ordered that said exhibits need not be included in the bill of exceptions other than to include therein those portions of letters which were read to the jury in the course of the trial.

FRANCIS A. GARRECHT

Judge

Dated: March 31, 1942.

[Title of Circuit Court of Appeals and Cause.]

AFFIDAVIT OF ROLAND RICH WOOLLEY ON APPLICATION FOR ORDER TRANSMITTING ORIGINAL EXHIBITS.

State of California
County of Los Angeles—ss:

Roland Rich Woolley, being first duly sworn, deposes and says:

That in the course of the trial of the above entitled action exhibits were introduced, chiefly by the Government in the presentation of its case, which include among others the following:

7 Books between 200 and 300 pages in length
Copies of 40 issues of a Magazine "The Voice" published by the Appellants
3 Decree Books
5 Songs
Phonograph records
Large Photographs
Several Pamphlets
Approximately 400 pages of letters.
Paintings, Account Book, Form Book, Electrical Devices, etc.

In addition to the foregoing documentary evidence, oral testimony requiring approximately 5,000 pages of transcript was given; that it is not feasible for the appellants to include in the bill of exceptions the aforementioned documentary evidence in addition to a summary of the aforesaid oral testimony. For the purpose of facilitating the preparation and settlement of the bill of exceptions, counsel

for the government and the appellants entered into a stipulation, approved by the District Judge, a copy of which is attached hereto marked Exhibit "A", which it will be noted provides that the letters read from by counsel shall be included in the bill of exceptions to the extent that they were read to the jury and that where other documentary evidence was read to the jury, reference be made to the exhibit and page from which reading took place. That the cost of printing the bill of exceptions prepared in accordance with said stipulation is great and by reason of the number of books and documents introduced, the inclusion of more thereof would make the expense much greater and the bill of exceptions very cumbersome and difficult of convenient use.

Wherefore, affiant prays that an order be made that the original exhibits introduced upon the trial of this action be deemed a part of the bill of exceptions settled by the District Court and transmitted to the Circuit Court of Appeals upon the hearing of this appeal, and that a further order be made that said exhibits need not be included in the bill of exceptions other than to include therein those portions of letters which were read to the jury in the course of the trial.

ROLAND RICH WOOLLEY.

Subscribed and Sworn to before me this 31st day of March, 1942.

(Seal) ANN CUNNINGHAM

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires June 11, 1945.

EXHIBIT "A"

[Title of District Court and Cause.]

STIPULATION RE PREPARATION OF BILL OF EXCEPTIONS.

It Is Hereby Stipulated by and between the government, through Wm. Fleet Palmer, United States Attorney, and Ralph E. Lazarus and Norman W. Neukom, Assistant United States Attorneys, and the defendants and appellants, Edna W. Ballard and Donald Ballard, through their respective attorneys, Roland Rich Woolley, Ralph C. Curren, and Joseph F. Rank, that in the preparation of the bill of exceptions on appeal herein and in the preparation of the proposed bill of exceptions of appellants that only such portions of the letter exhibits need be incorporated in said bill of exceptions as were actually read into evidence by either counsel for the government or counsel for the defendants at the trial of the above entitled matter.

It Is Further Stipulated that as to all books, pamphlets, magazines, particularly the various issues of "The Voice" magazine, and as to any other documentary evidence introduced in evidence as exhibits by either party, other than the letter exhibits above referred to, that there need be in said bill of exceptions only reference made to the exhibit number and page wherefrom such reading took place, together with the designation as to which counsel at such time read therefrom.

It Is Further Stipulated that all exhibits in the above matter may be physically transmitted to the

Circuit Court of Appeals for consideration in connection with the appeal.

It Is Further Stipulated that the bill of exceptions will provide that all exhibits are deemed to be a part of the bill of exceptions.

Dated: March 25, 1942.

WM. FLEET PALMER
United States Attorney

RALPH E. LAZARUS
NORMAN W. NEUKOM
Assistant United States Attorneys

By RALPH E. LAZARUS
Attorneys for Plaintiff

ROLAND RICH WOOLLEY
RALPH C. CURREN
JOSEPH F. RANK

By JOSEPH F. RANK
Attorneys for Defendants

The above stipulation is approved and it is so ordered.

J. F. T. O'CONNOR
United States District Judge.

[Title of Circuit Court of Appeals and Cause.]

STIPULATION RE TRANSMITTAL OF ORIGINAL EXHIBITS

It is hereby stipulated by and between the Government, through Wm. Fleet Palmer, United States Attorney, and Ralph E. Lazarus and Norman W. Neukom, Assistant United States Attorneys, and the appellants, Edna W. Ballard and Donald Ballard, through their respective attorneys, Roland Rich Woolley, Joseph F. Rank and Ralph C. Curren, that an order may be made by the Circuit Court of Appeals directing that the original exhibits in this matter be transmitted with and be deemed a part of the bill of exceptions on the appeal of the appellants herein, Edna W. Ballard and Donald Ballard.

Dated: March 31, 1942.

WM. FLEET PALMER
United States Attorney
RALPH E. LAZARUS
NORMAN W. NEUKOM
Assistant United States Attorneys

By RALPH E. LAZARUS
Attorneys for Appellee

ROLAND RICH WOOLLEY
JOSEPH F. RANK
RALPH C. CURREN

By ROLAND RICH WOOLLEY
Attorneys for Appellants

Received Copy of the Within Order for Transmittal of Exhibits, together with Affidavit of Roland Rich Woolley on Application for Order this 2nd day of April, 1942

WM. FLEET PALMER
United States Attorney

RALPH E. LAZARUS
NORMAN W. NEUKOM
Assistant United States Attorneys

By RALPH E. LAZARUS
Attorneys for Appellee

[Endorsed]: Filed Apr. 4, 1942. Paul P. O'Brien, Clerk.

[Title of Circuit Court of Appeals and Cause.]

STATEMENT OF POINTS AND DESIGNATION OF PARTS OF THE RECORD NECESSARY FOR THE CONSIDERATION THEREOF.

Come now the appellants and designate the following points that they will rely upon on appeal:

(1) All points as set forth in the specification of errors filed in the District Court, reference to which is hereby made for full particulars.

Pursuant to the rules of practice of this court, the appellants do hereby designate the following parts of the record as those to be contained in the

record on appeal in the above entitled matter and upon which appellants rely:

(1) Those parts of the record designated and set forth in the praecipe for preparation of the printed record of transcript on appeal filed in the District Court, reference to which praecipe is hereby made for detailed particulars.

Dated: May 10th, 1942.

ROLAND RICH WOOLLEY
JOSEPH F. RANK
RALPH C. CURREN

By ROLAND RICH WOOLLEY
Attorneys for Appellants

Received copy of the within Statement of Points and Designation of Parts of the Record Necessary for the Consideration Thereof this 1st day of June, 1942.

WM. FLEET PALMER,
United States Attorney
RALPH E. LAZARUS
NORMAN W. NEUKOM
Asst. U. S. Attorneys
By NORMAN W. NEUKOM
Attorneys for Appellee

HKM

[Endorsed]: Filed June 3, 1942. Paul P. O'Brien, Clerk.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

Excerpt from Proceedings of Friday, March 5, 1943

Before: DENMAN, MATHEWS, AND STEPHENS, Circuit Judges

No. 10059

EDNA W. BALLARD ET AL., APPELLANTS

vs.

UNITED STATES OF AMERICA, APPELLEE

Order of submission

Ordered appeals in above cause argued by Messrs. Roland Rich Woolley and Joseph F. Rank, counsel for appellants, and by Mr. Norman W. Neukom, Assistant United States Attorney, counsel for appellee, and submitted to the Court for consideration and decision, with leave to counsel for appellee to file additional authorities.

United States Circuit Court of Appeals for the Ninth Circuit

Excerpt from Proceedings of June 21, 1943

Before: DENMAN, MATHEWS, AND STEPHENS, Circuit Judges

No. 10059

EDNA W. BALLARD, ET AL.

vs.

UNITED STATES OF AMERICA

Order directing filing of opinion and dissenting opinion, and filing and recording of judgment

By direction of the Court, ordered that the typewritten opinion and dissenting opinion this day rendered by this Court in above cause be forthwith filed by the clerk, and that a judgment be filed and recorded in the minutes of this court in accordance with the majority opinion rendered.

In the United States Circuit Court of Appeals for the Ninth Circuit.

No. 10,059. Jun. 21, 1943

EDNA W. BALLARD AND DONALD BALLARD, APPELLANTS

vs.

UNITED STATES OF AMERICA, APPELLEE

Appeal from the District Court of the United States for the Southern District of California, Central Division

Before DENMAN, MATHEWS, and STEPHENS, Circuit Judges

MATHEWS, Circuit Judge.

Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere were indicted in twelve counts. They demurred to the indictment and to each count thereof on the ground that no count thereof charged an offense. The demurrer was overruled. They pleaded not guilty and were tried. In the course of the trial count 1 was dismissed. Edna W. Ballard was convicted on counts 2, 3, 5, 7, 8, 11, and 12 and acquitted on counts 4, 6, 9, and 10. Donald Ballard was convicted on counts 8, 11, and 12 and acquitted on counts 2–7, 9, and 10. Mundy, Stickell, Majerus and Cassiere were acquitted on counts 2–12. Edna W. Ballard and Donald Ballard were sentenced and have appealed.

Appellants assign as error the overruling of the demurrer. Counts 1–11 of the indictment were based on § 215 of the Criminal Code, 18 U. S. C. A. § 338, which provides: "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, * * * shall, for the purpose of executing such scheme or artifice or attempting so to do, place, or cause to be placed, any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post office * * * of the United States, * * * to be sent or delivered by the post office establishment of the United States, * * * or shall knowingly cause to be delivered by mail according to the direction thereon, * * * any such letter, postal card, package, writing, circular, pamphlet, or advertisement, shall be fined not more than $1,000, or imprisoned not more than five years, or both."

Counts 1–11 allege, in substance, that defendants[1] and Guy W. Ballard[2] devised a scheme to defraud and for obtaining money and property by means of false pretenses, representations and promises,

[1] Appellants (Edna W. Ballard and Donald Ballard), Mundy, Stickell, Majerus, and Cassiere.

[2] Guy W. Ballard (husband of Edna W. Ballard and father of Donald Ballard) died before the indictment was returned.

and that the scheme was, in substance, that defendants and Guy W. Ballard would:

(a) Create, organize and operate a movement known as the "I Am" movement and, by means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice persons to become members and followers thereof.

(b) Form, organize, dominate and control a corporation known as the Saint Germain Foundation and arrange for the election of Donald Ballard as president, Paul Potter as vice president and Edna W. Ballard as secretary and treasurer thereof.

(c) By means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice persons to give money and property to the Saint Germain Foundation.

(d) Form, organize, dominate and control a corporation known as the Saint Germain Press and arrange for the election of Donald Ballard as president, Paul Potter as vice president and Edna W. Ballard as secretary and treasurer thereof.

(e) By means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice persons to purchase from defendants and Guy W. Ballard books, charts, pamphlets, magazines and other matter published by the Saint Germain Press.

(f) By means of the representations hereinafter set forth, sell pictures, charts, paraphernalia and other articles.

(g) Arrange for, establish and maintain branch offices, meeting rooms and reading rooms in cities and towns throughout the United States, and arrange for and conduct meetings, classes and lectures at such offices and rooms for the instruction of persons in the principles, precepts and doctrines of the "I Am" movement.

(h) Arrange for and conduct radio programs and broadcasts over radio stations in the United States for the instruction of persons in the principles, precepts and doctrines of the "I Am" movement.

(i) In such meetings, lectures and broadcasts and by means of letters, books, pamphlets and other written and printed matter, make the following representations:

(1) That Guy W. Ballard had attained a supernatural state of self-immortality, which enabled him to conquer disease, death, old age, poverty and misery.

(2) That Guy W. Ballard had been selected and designated by Saint Germain [3] as a divine messenger through whom the words of Saint Germain would be transmitted to mankind.

(3) That the Ballards, by reason of their high spiritual attainments and righteous conduct, had been selected as divine messengers through whom the words of "ascended masters," [4] including Saint

[3] Saint Germain (Germanus), Bishop of Auxerre, died in the year 448. International Encyclopaedia, 2d Ed., Vol. 9, p. 670.

[4] Appellants and Guy W. Ballard.

[5] Appellants' brief states: "The Ascended Masters, in whom the 'I Am' Activity believes, are Divine Beings who exist in an intermediate sphere between God and man. The Ascended Masters are particularly devoted to the assistance of mankind in the attainment of high moral standards, harmony and eventual salvation. There are many Ascended Masters, Saint Germain being the most prominent in the 'I Am' Activity."

Germain, would be communicated to mankind in the teachings of the "I Am" movement.

(4) That the Ballards had, by supernatural visitation, been accorded a supernatural state of self-immortality of body and had been appointed messengers of divine entities and "ascended masters," and that it was only through them that the teachings and principles of such divine entities and "ascended masters" would be transmitted to mankind.

(5) That the teachings, precepts, doctrines and principles of the "I Am" movement were the only channels through which the spiritual teachings or words of Saint Germain and other "ascended masters" would be given to the world, and that said words and teachings were essential to the salvation of mankind.

(6) That the Ballards had attained a supernatural state of self-immortality, which enabled them to be entirely free from ailments common to man and to conquer disease, death, old age, poverty and misery, and that they could and would transmit that supernatural state to others willing to pay therefor.

(7) That the Ballards had, by reason of supernatural attainments, the power to heal persons of ailments, diseases and injuries and the power to cure persons of diseases normally classified as curable and of diseases normally classified as incurable, and had in fact cured hundreds of persons.

(8) That the Ballards had, by reason of divine origin, acquired a great healing power, and that followers of the "I Am" movement could acquire such power, achieve perfect bodies and heal themselves of all human ailments by giving implicit obedience to the precepts, principles, teachings and doctrines of said movement.

(9) That the Ballards had a divine and supernatural ability to bring forth from a supernatural state money, riches and other things necessary to mankind and could transmit that ability to others willing to pay therefor.

(10) That books published and sold by the Ballards* were the result of divine visitations and dictations to them by Saint Germain and other supernatural entities, that said books contained divine instructions for the salvation of mankind, and that the Ballards actually encountered the experiences related in said books.

(11) That magazines, booklets, circulars, letters, "edicts," "decrees" and musical compositions published, circulated and sold by the Ballards were divinely inspired and dictated by supernatural entities or "ascended masters" and were a part of the medium through which salvation could be obtained.

(12) That it was solely by reason of the Ballards' teachings and their embodiment in the "I Am" movement and by reason of the Ballards' divine power and influence that the United States was saved from destruction; that, by divine inspiration, there had been

* Including "Unveiled Mysteries" and "The Magic Presence," both of which were written by Guy W. Ballard under the pen name of Godfre Ray King.

accorded to the Ballards the ability to maintain the sovereignty and general welfare of the United States; and that, by reason thereof, complete obedience to their teachings, commands and decrees was absolutely necessary for the safety, welfare and sovereignty of the United States and for divine justice to be had in governmental and industrial activities.

(13) That a certain picture, reproductions of which were sold by the Ballards, was an actual picture of Saint Germain and was the result of a visitation by Saint Germain to Charles Sindelar, and that the purchase of reproductions of said picture by followers of the "I Am" movement was "desirable in their aim and hope to achieve salvation."

(14) That the purchase of certain charts, phonograph records and other articles from the Ballards by followers of the "I Am" movement would bestow upon the purchasers "great blessings and rewards in their aim to achieve salvation."

(15) That there would be, in one or more places in the United States, an actual visitation of "ascended masters" or divine entities, and that said divine entities would then and there appear in physical form before the assembled followers of the "I Am" movement.

(16) That a cataclysm or the end of the world was approaching, that there was therefore no necessity to provide for the future or to save money or other things of value, and that followers of the "I Am" movement, instead of saving their money, should give it to the Ballards.

(17) That any person who criticized or questioned the teachings of the Ballards would be denounced or punished by "ascended masters."

(18) That persons who followed the principles, doctrines and precepts of the "I Am" movement and the teachings of the Ballards would not die, but would "ascend" in their physical, tangible bodies, associate with divine entities and "ascended masters" and be able thereafter to return to earth at will, and to "reascend" if they so desired.

Counts 1–11 allege that all of the aforesaid representations were false, and that defendants and Guy W. Ballard knew they were false.

Count 1 alleges that, for the purpose of executing the scheme, defendants and Guy W. Ballard knowingly caused to be delivered by mail according to the direction thereon a check in an envelope addressed to Mrs. G. W. Ballard, Los Angeles, California. Counts 2, 5, 6, and 8 are similar to count 1, except that count 2 relates to a check in an envelope addressed to Allied Advertising Agencies, Inc., Los Angeles, California; count 5 relates to a letter in an envelope addressed to Mr. Harry N. Rogers, Los Angeles, California; count 6 relates to a letter in an envelope addressed to Mrs. Portia Terry, Sierra Madre, California; and count 8 relates to a magazine in an envelope addressed to Miss Lucille C. Seifert, Los Angeles, California.

Count 3 alleges that, for the purpose of executing the scheme, defendants and Guy W. Ballard placed and caused to be placed in the United States post office at Los Angeles, California, to be sent and delivered by the post office establishment of the United States,

a check in an envelope addressed to Uptown State Bank, Chicago, Illinois. Counts 4, 7, 9, 10, and 11 are similar to count 3, except that count 4 relates to a letter in an envelope addressed to Mr. and Mrs. Arthur Bliss, Chicago, Illinois; count 7 relates to a letter in an envelope addressed to Mrs. Muriel Bliss, Chicago, Illinois; count 9 relates to a letter in an envelope addressed to Mr. G. W. Ballard, Washington, D. C.; count 10 relates to a letter in an envelope addressed to Mr. Harry N. Rogers, Los Angeles, California; and count 11 relates to a letter in an envelope addressed to Gladys Ethel Kemp, Glendale, California.

Count 12 was based on § 37 of the Criminal Code, 18 U. S. C. A. § 88, which provides: "If two or more persons conspire * * * to commit any offense against the United States, * * * and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than $10,000, or imprisoned not more than two years, or both." Count 12 alleges that defendants and Guy W. Ballard conspired to commit the offenses charged in counts 1–11 and did certain acts[7] to effect the object of the conspiracy. We conclude that counts 1–11 charge offenses under § 215 of the Criminal Code; that count 12 charges an offense under § 37 of the Criminal Code and that, as to each and all of said counts, the demurrer was properly overruled.

Appellants assign as error the admission of testimony concerning the cost per copy of publishing "Unveiled Mysteries" and the price per copy received by the Ballards for "Unveiled Mysteries" and "The Magic Presence;"[8] testimony concerning the gross and net amounts received from a class conducted by the Ballards at Philadelphia in 1934; a statement (exhibit 99) showing amounts received for books, charts and pictures sold by the Ballards between April 4, 1935, and September 1, 1935; a statement (exhibit 142) showing amounts received for books, charts, pictures, magazines and other articles sold by the Ballards and amounts received by them as "love gifts" between December 23, 1938, and December 31, 1938; a statement (exhibit 143) showing amounts received by the Ballards as "love gifts" between October 23, 1939, and December 4, 1939; testimony concerning amounts expended by the Ballards for radio advertising; and testimony concerning the number of radio stations over which "transcriptions" made by the Ballards were broadcast.

This evidence was objected to on the ground that it was immaterial. The objection was not well founded. To prove the offenses charged in counts 1–11, it was necessary to prove the scheme described in counts 1–11. A part of the scheme described in counts 1–11 was that defendants and Guy W. Ballard would obtain money in the manner and by the means described in counts 1–11. See paragraphs (a) to (i), supra. The testimony and exhibits mentioned above tended to prove that part of the scheme and hence were material.

---

[7] Fourteen overt acts are alleged.

[8] See footnote 6.

Appellants assign as error the admission of photostatic copies (exhibit 203) of letters written by Guy W. Ballard to Edna W. Ballard in August, September, and October, 1930. The letters were put in evidence by appellants at a previous trial and (after copies had been made) were, by order of the court, returned to Edna W. Ballard. The copies were not objected to because they were copies, nor was their materiality questioned. Objections to their admission were that "the use thereof violated Articles 4, 5, and 6 of the Constitution;" [9] that "the letters were not voluntarily produced; but involuntarily, by reason of the necessity of rebutting the erroneous position that the Government took at the former trial;" [10] that the letters "had been produced at the former trial and were not in possession of the Government by reason of physical or moral compulsion"; and that such compulsion "amounted to a violation of the Constitution against unlawful search and seizure." [11] None of these objections was well founded. The letters were voluntarily produced and put in evidence by appellants. There was no compulsion, no search or seizure, no violation of the Constitution. Cf. Perlman v. United States, 247 U. S. 7, 13–15; Lisansky v. United States, 4 Cir. 31 F. (2d) 846, 850; Schauble v. United States, 8 Cir., 40 F. (2d) 363, 365.

Appellants assign as error the following statement by the court to the jury: [12] "Now, gentlemen, here is the issue in this case: First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence * * * or shaking hands with Jesus.[13] To some people that might seem highly improbable. I point that out as one of the many statements. Whether that is true or not is not the concern of this court and is not the concern of the jury * * *. As far as this court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They [the jury] are not going to be permitted to speculate on the actuality of the happening of those incidents. * * * The issue is: Did these defendants honestly and in good faith believe these things? If they did, they should be acquitted. * * * If these defendants did not believe those things, [if] they did not believe that Jesus came down and dictated, or that Saint Germain

[9] Meaning probably the Fourth, Fifth and Sixth Amendments.

[10] "Unveiled Mysteries" purports to have been written at Mount Shasta, California in August, September and October, 1930. The Government contended at the former trial that Guy W. Ballard, author of "Unveiled Mysteries," was not at Mount Shasta in either of those months. To show that he was there, appellants put in evidence the above mentioned letters.

[11] Meaning probably the Fourth Amendment.

[12] The statement was made before the Government had finished putting in its case. Why it was made the record does not show.

[13] There was evidence that the Ballards represented that certain works published and sold by them were dictated by Jesus. There was evidence that Edna W. Ballard represented that she and the other Ballards had shaken hands with Jesus.

came down and dictated,[14] did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty."

That was not a correct statement of the issues. The issues were (1) whether defendants and Guy W. Ballard devised the scheme described in counts 1–11; (2) whether, for the purpose of executing the scheme, they used the mails in the manner described in counts 1–11; (3) whether they conspired to commit any of the offenses charged in counts 1–11; and (4) whether, to effect the object of the conspiracy, any party thereto committed any of the overt acts charged in count 12.

A part of the scheme described in counts 1–11 was that defendants and Guy W. Ballard would make false representations, namely, the allegedly false representations set forth in paragraphs (1) to (18), supra. Hence, to prove that defendants and Guy W. Ballard devised the scheme described in counts 1–11, it was necessary to prove that they schemed to make some, at least, of the representations set forth in paragraphs (1) to (18),[15] and that some, at least, of the representations which they schemed to make were false.

There was substantial evidence that defendants and Guy W. Ballard schemed to make some, if not all, of the representations set forth in paragraphs (1) to (18), and that some, if not all, of the representations which they schemed to make were false. Whether such representations were false or true was a question which should have been submitted to the jury. Instead of submitting it, the court, by its above quoted statement, excluded that question from the jury's consideration. This was error. The error was not cured by the charge subsequently given the jury. Instead, the above quoted statement was, in substance and effect, repeated in the charge.

Judgment reversed and case remanded with directions to grant appellants a new trial.

STEPHENS, Circuit Judge, dissenting:

The language of the trial judge in regard to the issue of the case as quoted in the majority opinion was not intended as an instruction upon the ultimate issues and could not have been so understood by the jurors. The instructions as a whole, it seems to me, compel this conclusion. I am not convinced that the judge's comments and instructions upon the decisive point of the majority opinion were not more favorable to the defendants than the law required.

[Endorsed:] Opinion and Dissenting Opinion. Filed Jun. 21, 1943. Paul P. O'Brien, Clerk.

---

[14] There was evidence that the Ballards represented that certain works published and sold by them were dictated by Saint Germain.

[15] It was not necessary to prove that they schemed to make all of the representations set forth in paragraphs (1) to (18). Lewis v. United States, 9 Cir., 38 F. 2d 406, 410; Levine v. United States, 9 Cir., 79 F. (2d) 364, 369.

United States Circuit Court of Appeals for the Ninth Circuit

No. 10059

EDNA W. BALLARD ET AL., APPELLANTS

vs.

UNITED STATES OF AMERICA, APPELLEE

Decree

Upon appeal from the District Court of the United States for the Southern District of California, Central Division.

This cause came on to be heard on the Transcript of the Record from the District Court of the United States for the Southern District of California, Central Division and was duly submitted.

On consideration whereof, it is now here ordered and adjudged by this Court, that the judgments of the said District Court in this cause be, and hereby are reversed and that this cause be, and hereby is remanded to the said District Court with directions to grant appellants a new trial.

[Endorsed:] Decree. Filed and entered June 21, 1943. Paul P. O'Brien, Clerk.

United States Circuit Court of Appeals for the Ninth Circuit

Excerpt from Proceedings of Wednesday, September 29, 1943

Before: DENMAN, MATHEWS, and STEPHENS, Circuit Judges

No. 10059

EDNA W. BALLARD ET AL.

vs.

UNITED STATES OF AMERICA

Order denying petition for rehearing, etc.

Upon consideration of the petition of appellee, filed August 27, 1943, and within time allowed therefor by rule of court, for a rehearing of above cause, and of the appellants' answer thereto, filed September 4, 1943, and by direction of the Court, it is ordered, STEPHENS, Circuit Judge, dissenting, that said petition for rehearing be, and hereby is denied.

By direction of DENMAN, Circuit Judge, ordered his concurring opinion on denial of petition for rehearing be forthwith filed by the clerk.

In the United States Circuit Court of Appeals for the Ninth Circuit

No. 10,059. Sep. 29, 1943

EDNA W. BALLARD and DONALD BALLARD, APPELLANTS,

vs.

UNITED STATES OF AMERICA, APPELLEE.

Before: DENMAN, MATHEWS, and STEPHENS, Circuit Judges.

The petition for rehearing is denied.

WILLIAM DENMAN,
CLIFTON MATHEWS,
United States Circuit Judges.

STEPHENS, Circuit Judge, dissents.

[Endorsed:] Order denying petition for rehearing. Filed Sept. 29, 1943. Paul P. O'Brien, Clerk.

DENMAN, Circuit Judge, concurring in the denial of the petition for rehearing:

Our opinion holds that the district court erred in excluding facts tending to show the truth of appellants' "representations" concerning certain transactions in which Jesus was present and participating.

The petition for rehearing contends that there is another issue before the jury, i. e., whether appellants honestly "believed" their representations that certain works published and sold were dictated by Jesus and whether Mrs. Ballard believed her representations that she and other Ballards had shaken hands with Jesus. The petition cites the district court's instruction

"The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted * * *."

It would be strong evidence in support of this issue of the mental condition of belief, that these transactions with Jesus actually occurred in their presence. The right to produce such evidence was denied appellants.

Before the close of the Government's case the district court made its ruling advising the jury that "whether that [dictation by Jesus and shaking hands with Jesus] occurred is not the concern of the court and is not the concern of the jury * * *. They [the jury] are not going to be permitted to speculate on the actuality of the happenings of these incidents."

This was followed by the court's instructions in submitting the case to the jury.

"The defendants in this case made certain representations of beliefs in a divinity and in a supernatural power. Some of the teachings or representations of the defendants might seem extremely improbable to a great many people—for instance: the appearance of Jesus to dictate some of the works which have been introduced in evidence; the incident testified to by one of the defendants, Mrs. G. W. Ballard, that she shook hands with Jesus * * * these and other similar

representations and statements might seem highly improbable to many people. Whether these incidents actually happened or not is for your consideration."

Here we have not only the exclusion of proof and the instruction to disregard facts which would strongly tend to support an honest belief that they happened, but the suggestion of their improbability. The error is as prejudicial to the issue of honest belief as to the issue of purposeful misrepresentations.

The petitions' contention that the judgment of conviction should stand because there is other strong evidence of guilt has no merit. If on a new trial, the jury should be persuaded to believe that these miraculous events had occurred, they well may acquit these appellants. The district court did not give its reason for its ruling and instruction. If the reason be because such facts could occur in no possible chain of natural material causation, it is a denial to the religious of the right to prove one of the bases of their belief in the intervention of the supernatural in the daily lives of human beings—an obvious denial of the freedom of religion of the First Amendment of the Constitution.

[Endorsed:] Opinion of Denman concurring in denial of petition for rehearing. Filed September 29, 1943. Paul P. O'Brien, Clerk.

United States Circuit Court of Appeals for the Ninth Circuit

No. 10059

EDNA W. BALLARD AND DONALD BALLARD, APPELLANTS

vs.

UNITED STATES OF AMERICA, APPELLEE

Certificate of Clerk, U. S. Circuit Court of Appeals for the Ninth Circuit, to Record Certified Under Rule 38 of the Revised Rules of the Supreme Court of the United States

I, Paul P. O'Brien, as Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, do hereby certify the foregoing one thousand, six hundred and thirty-eight pages numbered from and including 1 to and including 1638, to be a full, true and correct copy of the entire record, excluding original exhibits, of the above-entitled case in the said Circuit Court of Appeals for the Ninth Circuit, made pursuant to request of Hon. Charles Fahy, Solicitor General of the United States, counsel for appellee, and submitted under Rule 38 of the Revised Rules of the Supreme Court of the United States, as the originals thereof remain on file and appear of record in my office.

Attest my hand and the seal of the said the United States Circuit Court of Appeals for the Ninth Circuit, at the City of San Francisco, in the State of California, this 28th day of October 1943.

PAUL P. O'BRIEN, *Clerk.*

U. S. GOVERNMENT PRINTING OFFICE: 1943

Supreme Court of the United States

Order allowing certiorari

(Filed January 8, 1944)

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Ninth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

U. S. GOVERNMENT PRINTING OFFICE: 1944

INDEX

	Page
Opinion below	1
Jurisdiction	2
Questions presented	2
Statute involved	3
Statement	4
Specifications of error to be urged	17
Reasons for granting the writ	18
Conclusion	27

CITATIONS

Cases:

Baker v. *United States*, 115 F. (2d) 533, certiorari denied, 312 U. S. 692	22
Barnard v. *United States*, 16 F. (2d) 451, certiorari denied, 274 U. S. 736	21
Cantwell v. *Connecticut*, 310 U. S. 296	20
Cooper v. *Schlesinger*, 111 U. S. 148	22
Fournier v. *United States*, 58 F. (2d) 3, certiorari denied, 286 U. S. 565	23
Glover v. *United States*, 125 F. (2d) 291, certiorari denied, 316 U. S. 690	24
John Hancock Ins. Co. v. *Bartels*, 308 U. S. 180	25
Johnson v. *United States*, 318 U. S. 189	19
Knickerbocker Merchandising Co. v. *United States*, 13 F. (2d) 544, certiorari denied, 273 U. S. 729	21
Landay v. *United States*, 108 F. (2d) 698, certiorari denied, 309 U. S. 681	23
Landis v. *North American Co.*, 299 U. S. 248	25
Leche v. *United States*, 118 F. (2d) 246, certiorari denied, 314 U. S. 617	24
Levine v. *United States*, 79 F. (2d) 364	22
Lewis v. *United States*, 38 F. (2d) 406	22
Palmer v. *Hoffman*, 318 U. S. 109	19
Pierce v. *United States*, 252 U. S. 239	22
School of Magnetic Healing v. *McAnnulty*, 187 U. S. 94	20, 26
Seven Cases v. *United States*, 239 U. S. 510	21
Shreve v. *United States*, 103 F. (2d) 796, certiorari denied, 308 U. S. 570	22
Shushan v. *United States*, 117 F. (2d) 110, certiorari denied, 313 U. S. 574	23
Simons v. *United States*, 119 F. (2d) 539, certiorari denied, 314 U. S. 616	22

Cases—Continued.
Stephens v. *United States*, 41 F. (2d) 440, certiorari denied *sub nom. Spicer* v. *United States*, 282 U. S. 880
United States v. *Buckner*, 108 F. (2d) 921, certiorari denied, 309 U. S. 669
United States v. *Comyns*, 248 U. S. 349
United States v. *Dilliard*, 101 F. (2d) 829, certiorari denied, 286 U. S. 565
United States v. *Groves*, 122 F. (2d) 87, certiorari denied, 314 U. S. 670
Watson v. *Jones*, 80 U. S. 679
Statute:
Mail Fraud Statute (Section 215 of the Criminal Code, 18 U. S. C. 338)

In the Supreme Court of the United States

OCTOBER TERM, 1943

No. 472

THE UNITED STATES OF AMERICA, PETITIONER

v.

EDNA W. BALLARD AND DONALD BALLARD

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

The Solicitor General on behalf of the United States prays that a writ of certiorari issue to review the judgment of the United States Circuit Court of Appeals for the Ninth Circuit entered June 21, 1943 (R. 1632) reversing the convictions of Edna W. Ballard and Donald Ballard for using the mails to defraud and for conspiring to so use the mails.

OPINION BELOW

The opinion of the circuit court of appeals (R. 1625–1631 appears at 136 F. (2d) 829. The opinion of Judge Denman concurring in the denial of the petition for rehearing (R. 1633–1634) is not yet reported.

JURISDICTION

The judgment of the Circuit Court of Appeals was entered on June 21, 1943 (R. 1632). Petition for rehearing was denied on September 29, 1943 R. (1633). The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code as amended by the Act of February 13, 1925. See also Rules XI and XIII of the Criminal Appeals Rules promulgated by this Court May 7, 1934.

QUESTIONS PRESENTED

In a trial for use of the mails to defraud by the propagation of a purported religious movement, the trial judge stated to the jury that the truth or falsity of the representations or beliefs was not in issue, and that the defendants should be acquitted if they honestly and in good faith believed what they wrote and said, and convicted if they did not so believe but used the mails to obtain money. The statement was given with the approval of defense counsel, was relied on by them, and quoted in their summation, as a favorable view of their case.

1. May reversal of a conviction be predicated on a statement of the trial judge given in the circumstances described?

2. In any event, may false representations be established under the mail-fraud statute by proving the falsity of defendants' professions of belief?

3. Is it sufficient under the mail-fraud statute to prove a scheme to defraud by abuse of a position of trust or confidence?

STATUTE INVOLVED

The mail fraud statute (Section 215 of the Criminal Code, 18 U. S. C. 338) provides:

> Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, * * * shall, for the purpose of executing such scheme or artifice or attempting so to do, place, or cause to be placed, any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall take or receive any such therefrom, whether mailed within or without the United States, or shall knowingly cause to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such letter, postal card, package, writing, circular, pamphlet, or advertisement, shall be fined not more than

$1,000, or imprisoned not more than five years, or both.

STATEMENT

An indictment in twelve counts charging use of the mails to defraud and conspiracy to so use the mails was returned in the United States District Court for the Southern District of California against Edna W. Ballard, her son Donald Ballard, and others. The scheme to defraud set forth in the indictment charged that the defendants and Guy W. Ballard (who died before the indictment was returned) organized a purported religious organization known as the "I Am" movement, and in connection therewith formed and dominated two corporations known as the St. Germain Foundation and the St. Germain Press, established branch offices and meeting rooms in various cities, and arranged a number of radio programs; that as a means of inducing their followers to purchase books, charts, pamphlets, etc., and to make donations to defendants and the organizations controlled by them, defendants made a number of false representations. Among the misrepresentations listed in the indictment were claims that Guy W. Ballard had attained a supernatural state of immortality; that all the Ballards had been selected as divine messengers through whom the teachings of St. Germain and other "ascended masters" would be communicated to mankind; that the Ballards had the power to

conquer disease, death, old age, poverty, and misery; that they could cure and had cured persons of physical ailments; that they had the power to precipitate from the air money and other material riches; that they had received divine visitations from St. Germain and other supernatural entities who dictated the books published by defendants; that St. Germain had appeared in person before Charles Sindelar who had painted the saint's portrait; that books, charts, and phonograph records issued by defendants had special salutary qualities which would be transmitted to purchasers; that since a cataclysm was about to engulf the earth it was wiser to give money to defendants than to invest it in banks, homes, insurance, etc. (R. 2–22.)

The evidence for the Government may be summarized as follows:

In 1930, at Mt. Shasta, California, Guy W. Ballard wrote a book called "Unveiled Mysteries" which purported to be his true experiences (R. 257, 417, 507, 614, 757–758). It was first published and offered for sale in 1934 (R. 242). For approximately two years before that time, Guy W. Ballard and his wife, Edna Ballard, had been conducting classes in Chicago at which they read portions of the manuscript of "Unveiled Mysteries" and a second book called "The Magic Presence" (R. 242, 427–430, 475, 553). In the fall of 1934 the Ballards engaged

Harry Sieber to act as their business manager and agreed to give him a percentage of the amount received from the sale of the books (R. 271, 274, 285–287, 291). Arrangements were made to have the Ballards conduct classes in various cities at which the disciples would understand that "love gifts" to the "messengers" would be acceptable, the proceeds of such gifts to be divided equally between the Ballards and Sieber (R. 273–274, 278–279, 291). The tour was a financial success, each class resulting in gifts totaling approximately $1,000 (R. 295–296).

Thereafter, the "I Am" movement grew rapidly. Disciples were appointed "messengers" and given authority to conduct classes and reading rooms in various cities (R. 431–433, 435–437, 487–489, 755, 765–766). The local groups operated independently but purchased books, charts, records, etc., from the St. Germain Press (R. 436, 584, 615, 755–756, 762–766). The Ballards themselves conducted a number of classes in various cities at which autographed books were sold and substantial love offerings received (R. 561–562, 616, 632, 767). By 1940 the publications consisted of seven books and a magazine called "The Voice of the I Am" (R. 234, 241–242, 553). Each student was urged to buy his own set of books and to refrain from lending his copies to others as the radiation of another person would lessen the beneficent effect (R. 400, 510, 614–615). The radio was used extensively, approximately $190,000

being spent for radio advertising (R. 253–254, 645–646). Records for radio transcriptions were sold to the local groups, who assumed responsibility for the sponsoring of broadcasts (R. 437, 448–449, 646–647, 654–655, 666–668, 679, 684, 759). Phonograph records, advertised as having a special healing quality because of their blue color, and a painting, represented as the perfect likeness of St. Germain as he appeared to the Ballards and to the artist, Sindelar, were offered for sale (R. 349, 352, 354, 590, 644, 647). The Ballards engaged in extensive correspondence with persons throughout the country, receiving between 25 and 50 letters a day (R. 538). About one-fourth of the letters enclosed money as love gifts (R. 538).

Among the representations of the movement were the following:

Divine Visitations.—St. Germain and Jesus had appeared before the Ballards in tangible form, so that they could shake hands with them (R. 243, 257, 262, 398–399, 596, 757–758). St. Germain and other "ascended masters" dictated the published discourses of the movement (R. 254–255, 507–508, 614). These masters would appear before group meetings in their tangible form (R. 398–399, 506, 570).

Healing.—The invocation of the great "I Am Presence" would cure diseases considered by medical science incurable (R. 249–250, 258, 260, 264, 394, 405–406, 443–444). Thousands of people had

been cured in this manner (R. 249–250, 258, 406, 444, 572).

Ascension.—Until 1938, the Ballards taught that human beings would ascend in their physical body; that this could be accomplished before death; and that the ascended person could thereafter return to earth (R. 433–435, 509–510, 569, 628–629, 713); that Ballard himself had made the ascension and had been purified (R. 755). Late in 1938 a new dispensation was announced by which it was proclaimed that the physical body would remain on earth but that the etheric body would ascend (R. 443; see R. 938, 978).[1]

Precipitation.—Persons who adhered to the teachings of the movement would be able to precipitate from the air gold, jewels, and other material needs. The sparkles of light that one saw in the sunlight were the elements from which the desired substances would be precipitated. (R. 397, 450, 476–477, 715, 761.)

Cataclysm.—A cataclysm was soon to engulf the earth but the followers of the "I-Am" movement would be saved (R. 401, 409, 445, 507, 854). In fact, the presence of the Ballards had saved San Francisco from destruction (R. 401–402, 588, 854).

The books and discourses purporting to be dictations from the ascended masters were elaborated upon and revised (R. 475, 557–560). Fac-

[1] Guy W. Ballard died in December 1939 (R. 533, 743–744).

tual errors were called to the Ballards' attention and were corrected (R. 345–346, 359).

Despite the curative powers allegedly possessed by the Ballards, both Mr. and Mrs. Ballard and their followers suffered from illnesses and accidents (R. 332, 395, 446, 489, 534–536, 512, 604, 743–744). While Guy W. Ballard was on his death bed, Mrs. Ballard told the class that he was with St. Germain doing special work (R. 715). Mr. Ballard's secretary, who was with him constantly, never heard anyone say he had been cured of cancer, although the Ballards represented that they had cured the disease (R. 406, 572). Requests for healing advice were answered by form letters and subordinates were told to "say the usual thing" in reply (R. 368–369, 420, 540, 548–549).

The blue phonograph records alleged to have a special healing radiation as the result of long preparation (R. 590) were prepared by the manufacturer without receiving a formula from the Ballards, and the final product was chosen from among several samples submitted to the Ballards (R. 645–647).

Before 1935, the Ballards used as the picture of St. Germain a photograph of a painting in which scrolls and an ancient script were employed as decoration. The photograph appeared in early editions of the book "Unveiled Mysteries" (Exhibit 3; see R. 1063). The picture had been

painted in about 1923 by Theresa de Carranza, and a photograph thereof was in Mr. Ballard's possession in 1930 (R. 836–837, 841, 1068–1070). The artist who painted the picture which was subsequently advertised as the result of a revelation by St. Germain (R. 349)[2] testified that his painting was the result of a mental impression, that he had previously seen the picture appearing in "Unveiled Mysteries" and that the scrolls and script were copied from the photograph in the book (R. 1061–1064).

On several occasions Donald Ballard stated that the movement was "bunk" and that he would like to expose the work as a "fake" (R. 335, 595, 613).

A commercial spirit permeated the activities. According to letters introduced in evidence, St. Germain was concerned with such financial details as a 33⅓% limit on the discount for books (R. 285–287, 305), the manner of selling the picture (R. 354), and the sponsorship of radio programs (R. 684, 689, 692–693). The Ballards were careful to prevent the wholesale book business from slipping out of their hands (R. 306–307,

[2] Government's Exhibit 97 (R. 349), a circular advertising the painting, read as follows:

"The picture which Mr. Sindelar has painted of St. Germain is an absolute perfect likeness of him as we have seen him many times in the tangible body.

"St. Germain revealed himself to Mr. Sindelar previous to and while he was painting St. Germain's likeness and he has said that it was splendid."

330–331). If there was an oversupply of one book its sale was stressed above the others (R. 368, 709). The publication of a new book of songs was announced as an important message from "the great harmony" (R. 587–589). Credit was sparingly extended in the sale of books and radio transcriptions (R. 297, 654–655). The Ballards were dissatisfied when receipts from love gifts at classes were not large (R. 368, 571, 723, 759) and reported to the staff that St. Germain had directed the students not to go to places where they could not make expenses (R. 563). Mrs. Ballard and Donald Ballard had no source of income other than the "I Am" activity (R. 875, 879, 1080, 1140). Their scale of living was such that, when Donald was only 18, he was given $11,000 in 5 months (R. 598).

Early in the trial, while Mrs. Schall, a former devotee of the movement, was on the stand (R. 393), the Government, over defendants' objection, introduced in evidence a number of books and magazines of the movement and read therefrom (R. 394–402). A conference of counsel was then held outside the presence of the jury (see R. 1346). The minutes of that conference have not been printed in the record; but summation by one of the defense counsel, in which he refers to the matter, shows that the relation of religious liberty to the trial of the case was there discussed (R. 1346). The trial judge formulated his concept

of the issues in the following statement to counsel which he thereafter repeated to the jury with the consent of counsel for both sides (R. 402–404; see R. 1346).[3]

> Now, gentlemen, here is the issue in this case:
>
> First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable.
>
> I point that out as one of the many statements.
>
> Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious

[3] The transcript of the minutes of the conference shows that defense counsel made the suggestion that the judge repeat his statement to the jury at that time.

beliefs of these defendants cannot be an issue in this Court.

The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty.

Therefore, gentlemen, religion cannot come into this case. I want to assure Judge Armstrong and the defendants and the Government that it will not be permitted to come in.

Now, we take up the third point, so there is going to be no misunderstanding so far as the Court is concerned.

No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were. And the defendants, I assume, from counsel and counsel's statements with reference to the books and pamphlets, have not so far withdrawn a single word of what they have written or what they have preached. The defendants, so far as I can gather it from the case, although they haven't started to put

it in, are standing on the whole—not program, but the whole conception (I think that is a better word)—the whole conception of their relationship with the deity or, as it is used here, with the I Am Presence.

Now, gentlemen, that is going to be made so clear to this jury that they are not going to misunderstand it. And that is the whole case.

Now, of course, gentlemen, the degree of proof, burden of proof beyond a reasonable doubt and the fact the defendants are clothed with the presumption of innocence which stays with them during the trial and all of those different principles of law will be covered more completely and thoroughly in the Court's instructions to you at the conclusion of the trial. So that what I have said now, if you will please bear it in mind and carry it into the instructions, a a part of which may be repeated, but don't isolate this from the instructions.

That statement was relied upon by defense counsel during the trial (R. 502, 1125–1126). It was repeated in substance in the summation by one defense attorney and verbatim by another as representing the "fundamental basis of this lawsuit" (R. 1336, 1346–1349). In his charge to the jury at the close of the case the judge repeated his prior instruction that "The religious beliefs of these defendants are not an issue in this court and not for your consideration" (R.

1576). The admonition was reiterated during the charge (R. 1571–1572; 1573; 1574–1575; 1588–1590).*

Edna Ballard was found guilty on Counts 2, 3, 5, 7, 8, 11, and 12 and was sentenced to one year on each count to run concurrently and to pay fines totaling $8,000 (R. 170, 180); Donald Ballard was found guilty on counts 8, 11, and 12 and was sentenced to 30 days on each count to run concurrently and to pay fines totaling $400 (R. 171, 182). Both prison sentences were suspended and defendants placed on probation for

* At R. 1588–1590, the court charged: "With reference, further, to this question of intent, you are instructed that if defendants honestly believed in the doctrines which they announced, then no matter how visionary their views may have been, no matter how ill-founded their conclusions may have been, no matter how much sheer incompetence in the exercise of business judgment may have been their portion, unless, in the making of the statement and representations complained of, they were actuated by an intent to defraud, they are entitled to go free and your verdict should so determine.

"The ultimate question of fact before you as a jury is as to the good faith of the defendants, and that question involves their belief in their representations and promises. While their belief is not the subject of direct proof, it may be ascertained from circumstances, and by proof of their actions and declarations. If the defendants were practicing their calling in good faith, the fact that they received compensation for their advice and services is of no consequence.

"If the representations intended to be made, as alleged in the indictment, were false, and the defendant honestly believed them to be true, then such representations would not be fraudulent. If, however, such representations were false and the defendant, knowing their falsity or not believing them to be true, intended that they should be made to de-

one year. The four other defendants were found not guilty on all counts (R. 172–176).

On appeal to the Circuit Court of Appeals, a divided court reversed the convictions on the ground that the above quoted statement by the trial judge erroneously removed from the jury's consideration the truth or falsity of the representations alleged in the indictment (R. 1631). The circuit court of appeals found no other error in the conduct of the trial and found that there

---

ceive and induce certain persons to whom they were to be made, to part with value, then said scheme was one to defraud.

"You are instructed that even if you should find and believe that the representations intended to be made as alleged in the indictment, not only were made but were false, nevertheless, if the defendants so making them or responsible for their making, in good faith believed them to be true, then said representation within the meaning of the Federal Statute in question, would not be fraudulent and you would not be justified in inferring the existence of a fraudulent intent on the part of the defendants because of their having been made. It is, of course, true that a fraudulent intent is never presumed; to the contrary the law presumes that all men are honest—in their motives, their dealings, their relations with one another; that they are ever actuated by good faith, and must not be adjudged to be in want thereof or to be inspired by fraud or an evil intent except upon proof of the same beyond a reasonable doubt. So, too, in this same connection, where a given transaction or series of transactions that may be called in question is reasonably susceptible of two different constructions—one that is fair and honest and in consonance with good faith, and the other dishonest and in keeping only with a fraudulent intent—then the law says that the jury must adopt the construction in favor of honest, fair dealing and good faith and reject the other looking to the contrary direction."

was substantial evidence to support the verdict if the issues had been properly presented to the jury (R. 1631). A petition for rehearing was denied, again by a divided court (R.1632–1633). Judge Denman wrote an opinion concurring in the denial of the petition for rehearing, in which he stated that the definition of the issues by the trial judge prevented the defendants from offering proof that the miraculous events had actually occured, as evidence of their honest belief. (R. 1633–1634.)

SPECIFICATIONS OF ERROR TO BE URGED

The Circuit Court of Appeals erred:

1. In reversing the judgment of conviction;

2. In predicating reversal upon a statement by the trial judge which had been approved by defendants, given to the jury at the suggestion of defendants, relied on by the defendants during the trial, and repeated by defendants in their summation to the jury as a favorable statement of their case;

3. In holding that the statement by the trial judge which in substance instructed the jury that the religious belief of defendants was not in issue removed from the jury's consideration the truth or falsity of all representations alleged in the indictment;

4. In holding that in a prosecution for mail fraud it was incumbent on the Government to prove that false representations had been made;

5. In holding that the trial court erred in instructing the jury that the truth or falsity of defendants' religious beliefs was not in issue but that defendants would be guilty if the jury found that they had propagated a religious movement in which they did not honestly and in good faith believe.

REASONS FOR GRANTING THE WRIT

1. The instant decision presents the anomaly of the reversal of a conviction, found to have been supported by substantial evidence, on the basis of a statement of the trial court favorable to the defendants and welcomed as such by counsel for the defense. The record plainly shows that throughout the trial defendants considered the trial judge's instruction the most favorable presentation of their case and that they relied upon it heavily. Defense counsel in his closing argument quoted in full the preliminary instruction now attacked (R. 1346–1349), and the quotation itself reveals that the instruction was given at "the request of counsel for both sides" (R. 1346). Defendants' motions to strike out certain of the Government's evidence at the close of the Government's case were in large part supported by the claim that such evidence would enable the jury to speculate upon matters which the court had held were not in issue (R. 883–930). Several of the objections were expressly predicated upon the statement (R. 884, 886). Questions pro-

pounded by the prosecuting attorney in cross-examination of defense witnesses were disallowed because of that statement (R. 502) and defense counsel based the presentation of their case thereon (R. 1125–1126). We have thus a case in which five eminent and experienced counsel (see R. 1183–1184) not only did not object to the statement which the Circuit Court of Appeals deemed to be reversible error, but actually asked for it, approved it, and on repeated occasions relied heavily upon it.[5]

This Court has recently condemned the practice of pursuing one course at a trial and, when that course has proved unprofitable, repudiating it on appeal. *Johnson* v. *United States,* 318 U. S. 189, 201; see also *Palmer* v. *Hoffman,* 318 U. S. 109, 119. This is not a case where, through inadvertence, counsel failed to object to plain error. This is a case where a position deliberately chosen as favorable by experienced counsel is being repudiated, because it was unsuccessful. The decision of the Circuit Court of Appeals, if unreviewed, would be a disservice to the cause of criminal procedure.

2. Furthermore, the trial judge's formulation of the issues was legally sound and his solution of the problem raised is most consonant with the guarantees of religious freedom. The Circuit Court of Appeals' disapproval of the well-consid-

[5] Trial counsel did not participate in the appeal (Cf. R. 218).

ered charge presents a serious problem in the administration of the mail-fraud statute.

In *School of Magnetic Healing* v. *McAnnulty*, 187 U. S. 94, 106, this Court held that matters of medical opinion, such as the efficacy of mental healing, did not present issues of fact upon which a postal fraud order could be based. Much less do claims of divine visitation present an issue of fact for a jury. It is a fixed principle of our law that religious beliefs, as distinguished from the acts by which such beliefs are made manifest, are not subject to the judgment of our courts. *Cantwell* v. *Connecticut*, 310 U. S. 296, 303–304; *Watson* v. *Jones*, 80 U. S. 679, 728. If, however, in conformity with the majority opinion, a jury is required inescapably to pass upon the truth or falsity of representations in the nature of religious beliefs, then in a mail-fraud case it must judge the beliefs before it can judge the acts. The result would be that the trial of any person using religion as a cloak would be transformed into a heresy trial. In this instance, appellants claimed, among other things, to have received personal visitations from Jesus and St. Germain. We believe that the trial judge was quite right in holding that such issues, as distinguished from the honesty of defendants' representations, are not to be tried by a jury.

When the Government has shown that defendants have used the mails to make representations and propagate doctrines in which they do not be-

lieve, for the purpose of obtaining money, it has shown enough to support a conviction.

a. The decision of the Circuit Court of Appeals overlooks the principle stated by this Court in *Seven Cases* v. *United States*, 239 U. S. 510, 517, that—

> state of mind is itself a fact, and may be a material fact, and false and fraudulent representations may be made about it. * * *

This principle is reflected in a myriad of situations involving fraud. It is, for example, implicit in the well-established doctrine that a promise, whether capable of being performed or not, is fraudulent when made with intent not to perform,* for a person cannot intend to perform that which he does not believe he can perform. The principle that fraud may consist of positive averments made in reckless disregard of their truth or falsity also embraces this rule: "all unconditional utterances, intended to be taken seriously, imply at least a belief, and, if the utterer does not believe them, they are false." *Knickerbocker Merchandising Co.* v. *United States*, 13 F. (2d) 544, 546 (C. C. A. 2), certiorari denied, 273 U. S. 729. The foundation of religion is faith. Where there is no faith, there is falsity.

Under the well-established rule that, in a mail-fraud case, the Government need not prove all

* *United States* v. *Comyns*, 248 U. S. 349, 353; *Barnard* v. *United States*, 16 F. (2d) 451, 453 (C. C. A. 9), certiorari denied, 274 U. S. 736.

representations alleged in the indictment,[7] a finding that defendants did not believe in their own doctrines supplies the material misrepresentation of fact needed to support the verdict.[8]

b. A charge of fraud is supported by proof that statements were made with reckless disregard of their truth or falsity. *Pierce* v. *United States,* 252 U. S. 239, 251; *Cooper* v. *Schlesinger,* 111 U. S. 148, 155. It is to be noted that the statute prohibits the use of the mails in a scheme

---

[7] *Simons* v. *United States*, 119 F. (2d) 539, 549 (C. C. A. 9), certiorari denied, 314 U. S. 616; *Baker* v. *United States*, 115 F. (2d) 533, 541 (C. C. A. 8), certiorari denied, 312 U. S. 692; *Shreve* v. *United States*, 103 F. (2d) 796, 813 (C. C. A. 9), certiorari denied, 308 U. S. 570; *United States* v. *Dilliard*, 101 F. (2d) 829, 833 (C. C. A. 2), certiorari denied, 306 U. S. 635; *Levine* v. *United States*, 79 F. (2d) 364, 369 (C. C. A. 9); *Stephens v. United States*, 41 F. (2d) 440, 446 (C. C. A. 9), certiorari denied *sub nom. Spicer* v. *United States*, 282 U. S. 880; *Lewis* v. *United States*, 38 F. (2d) 406, 410 (C. C. A. 9).

[8] The issue of defendants' belief in their own doctrines was expressly tendered by the indictment herein. Each of the representations enumerated in the indictment is followed by the statement that defendants "well knew" the falsity thereof and that the representations were false and fraudulent. Item 20 (R. 21) specifically alleges:

"At the time of making all of the afore-alleged representations by the defendants, and each of them, the defendants, and each of them, well knew that all of said aforementioned representations were false and untrue and were made with the intention on the part of the defendants, and each of them, to cheat, wrong, and defraud persons intended to be defrauded, and to obtain from persons intended to be defrauded by the defendants, money, property, and other things of value and to convert the same to the use and the benefit of the defendants, and each of them."

for obtaining money by false *or* fraudulent pretenses, representations, or promises. Clearly, therefore, it is sufficient under the statute for the jury to have found, as under the judge's charge they must have found, that the representations made by the defendants, irrespective of their accuracy, were fraudulent in the sense that they were made in utter disregard of truth or falsity or without belief in their truth.

c. Even apart from the foregoing principles, the decision below adopts an erroneously narrow construction of the mail-fraud statute, in conflict with decisions of other circuit courts of appeals. In holding that it was necessary for the Government to prove that defendants schemed to make some representations and that some of such representations must be shown to be false (R. 1631), the court disregarded the fact that false representations do not delimit the full scope of the fraud condemned by the statute. *Shushan* v. *United States,* 117 F. (2d) 110, 115 (C. C. A. 5), certiorari denied, 313 U. S. 574. Cf. *Fournier* v. *United States,* 58 F. (2d) 3, 5 (C. C. A. 7), certiorari denied, 286 U. S. 565; *Landay* v. *United States,* 108 F. (2d) 698, 702 (C. C. A. 6), certiorari denied, 309 U. S. 681. The statute provides for alternative offenses, the devising of a scheme or artifice (1) to defraud *or* (2) for obtaining money or property by means of false or fraudulent pretenses, representations, or promises.

Thus, it is recognized that the use of the mails to further an intentional breach of trust comes within the interdiction of the statute as a scheme to defraud even though no misrepresentations are expressed. *Glover* v. *United States,* 125 F. (2d) 291, 293 (C. C. A. 5), certiorari denied, 316 U. S. 690; *United States* v. *Groves,* 122 F. (2d) 87, 90 (C. C. A. 2), certiorari denied, 314 U. S. 670; *Leche* v. *United States,* 118 F. (2d) 246, 247 (C. C. A. 5), certiorari denied, 314 U. S. 617; *United States* v. *Buckner,* 108 F. (2d) 921, 926 (C. C. A. 2), certiorari denied, 309 U. S. 669. Hence, laying aside the issue of the truth or falsity of defendants' assertions, they were properly convicted, for it is plain that the indictment alleged, the evidence showed, and the jury found, that defendants had devised a scheme or artifice to defraud and had used the mails in pursuance thereof. Professed religious leaders solicit the utmost trust of their following. Where it is shown, as it was here, that they have played upon the religious instincts of others as a device for perpetrating a swindle, we submit that their conduct even more clearly comes within the prohibition of the statute than that of a public official or director of a corporation whom the courts have found guilty of devising a scheme to defraud upon proof of a breach of fiduciary obligations, absent any express misrepresentations.

3. The necessity of further review is accentuated by the fact that the opinion and the con-

curring opinion of the majority below furnish diverse guidance for the subsequent trial of this and similar cases. Cf. *Landis* v. *North American Co.*, 299 U. S. 248, 253–254; *John Hancock Ins. Co.* v. *Bartels*, 308 U. S. 180, 181.

Under the opinion of Judge Mathews, the Government must prove the falsity of the representations made (R. 1631).[9] Under the opinion of Judge Denman, the issue of truth or falsity of the representations apparently is not a distinct element of the offense but need come into the case only if the defendants choose to rely on evidence in that regard to establish their good faith (R. 1633–1634). It may be observed, in passing, that this view does not have relevance to the facts of this case, since the defendants were not deprived of an opportunity to offer evidence. To establish their good faith, 47 witnesses, including defendants themselves, took the stand on their behalf; that they failed was not due to exclusion of any proof.[10] It is not clear, moreover, under Judge Denman's opinion, whether, if the defendants may show good faith by evidence of the occurrence of supernatural events, the Government in its case in chief has a corresponding privilege of showing bad faith by evidence of their nonoccurrence. Thus the decision leaves ob-

[9] Presumably the burden of producing evidence on this issue, as well as the burden of persuasion, would be on the Government, though the opinion does not so state.

[10] It is noteworthy that while two defendants were convicted, four were acquitted.

secure the important question whether matters of this sort are not the subject of proof, under *School of Magnetic Healing* v. *McAnnulty, supra;* whether they are part of the proof required of the Government; or whether they become relevant only if introduced on the issue of good faith.

If we are right in the position that the convictions should have been affirmed because the case was submitted under instructions which embodied a sound construction of the statute and were welcomed by defendants, there was no occasion to agitate the questions thus raised by the opinions of the majority below."

---

[11] Compare J. B. Thayer, *Legal Essays*, pp. 327–328 (Trial by Jury of Things Supernatural):

"It is not impossible that we may yet see something of this sort done about Spiritualism; that is to say, may see the question passed upon whether it is or is not true. But so far, in modern times, such things do not come up in this way. When Spiritualists get into court nowadays, it is on the charge of defrauding people and using undue influence, as in the case of Home in England, twenty years ago, who was compelled to return several hundred thousand dollars' worth of property to a woman of seventy-five, a Mrs. Lyon, who had given it to him on the faith of certain alleged messages from her deceased mother; it was a mere question of undue influence, of the abuse of a relation of confidence.

And so of the case of a Mrs. Fletcher, who, a few years ago, was found guilty, in London, of obtaining property by false pretenses and conspiracy. She has written a book about it, and insists that her spiritual communications were genuine, and so the pretenses were not false; and that the court wrongly rejected an offer on her part to prove them true, and so condemned her wrongly. But it appeared to the tribunal like a pretty vulgar case of fraud. The court left to the jury fairly the question of her own belief in the manifestations, which was the main thing."

CONCLUSION

For the reasons stated it is respectfully submitted that this petition for a writ of certiorari should be granted.

CHARLES FAHY,
Solicitor General.

November 1943.

U. S. GOVERNMENT PRINTING OFFICE: 1943

INDEX

	Page
Opinion below	1
Jurisdiction	1
Questions presented	2
Statute involved	3
Statement	4
Summary of argument	21
Argument:	
I. The instruction upon which reversal was predicated was approved and relied on by defendants as favorable to their case and did not cause evidence on their behalf to be excluded	24
II. The issues submitted to the jury comprehended an offense under the mail fraud statute	31
A. The court did not remove from the jury's consideration all issues of false or fraudulent representation	31
1. False representations of fact	31
2. Misrepresentation of belief	36
B. In any event, under the instructions the jury necessarily found that respondents in bad faith propagated a purported religious movement in which they did not believe in order to obtain money, and this was a finding of a scheme to defraud under the mail fraud statute	39
Conclusion	48

CITATIONS

Cases:	
Allis v. *United States*, 155 U. S. 117	28
Baker v. *United States*, 115 F. (2d) 533, certiorari denied, 312 U. S. 692	36
Barnard v. *United States*, 16 F. (2d) 451, certiorari denied, 274 U. S. 736	38
Bayley v. *United States*, 134 F. (2d) 937	25
Bettman v. *United States*, 224 Fed. 819, certiorari denied, 239 U. S. 642	43
Brand v. *United States*, 4 Fed. 394	40
Brooks v. *United States*, 146 Fed. 223	45
Byron v. *United States*, 273 Fed. 769, certiorari denied, 257 U. S. 653	45

Cases—Continued.

	Page
Cantwell v. *Connecticut*, 310 U. S. 296	26
Clapp v. *United States*, 18 F. (2d) 906, certiorari denied, 275 U. S. 548	44
Crane v. *United States*, 259 Fed. 480	25
Culp v. *United States*, 82 Fed. 990	42
Davis v. *Beason*, 133 U. S. 333	25, 32
Durland v. *United States*, 161 U. S. 306	44
Foster v. *United States*, 178 Fed. 165	44
Fournier v. *United States*, 58 F. (2d) 3, certiorari denied, 286 U. S. 565	44, 45
Friscia v. *United States*, 63 F. (2d) 977, certiorari denied, 289 U. S. 762	31
Girson v. *United States*, 88 F. (2d) 358, certiorari denied, 301 U. S. 697	28
Glover v. *United States*, 125 F. (2d) 291, certiorari denied, 316 U. S. 690	31, 46
Goodrich-Lockhart Co v. *Sears*, 270 Fed. 971	39
Hall v. *United States*, 168 U. S. 632	31
Havener v. *United States*, 49 F. (2d) 196, certiorari denied, 284 U. S. 644	36, 47
Holmgren v. *United States*, 217 U. S. 509	28
Hughes v. *United States*, 231 Fed. 50, certiorari denied, 242 U. S. 640	45
Johnson v. *United States*, 318 U. S. 189	21, 28, 29
Kaufmann v. *United States*, 282 Fed. 776, certiorari denied, 260 U. S. 735	45, 46
Keeler v. *Fred T. Ley & Co.*, 65 F. (2d) 499	39
Knickerbocker Merchandising Co. v. *United States*, 13 F. (2d) 544, certiorari denied, 273 U. S. 729	38
Leche v. *United States*, 118 F. (2d) 246, certiorari denied, 314 U. S. 617	31, 46
Lemon v. *United States*, 164 Fed. 953	42
MacKnight v. *United States*, 263 Fed. 832, certiorari denied, 253 U. S. 493	42
McConkey v. *United States*, 171 Fed. 829	45
Milby v. *United States*, 120 Fed. 1	42
Miller v. *United States*, 133 Fed. 337	42, 45
Moore v. *United States*, 2 F. (2d) 839, certiorari denied, 267 U. S. 599	43
Morris v. *United States*, 61 F. (2d) 520	28
Myers v. *United States*, 223 Fed. 919	44
New v. *United States*, 245 Fed. 710, certiorari denied, 246 U. S. 665	25
Philadelphia Storage B. Co. v. *Kelley-How-Thomson Co.*, 64 F. (2d) 834, certiorari denied, 290 U. S. 651	36, 38
Post v. *United States*, 135 Fed. 1	25

Cases—Continued.

	Page
Reynolds v. *United States*, 98 U. S. 145	25
Robinson v. *United States*, 33 F. (2d) 238	44
Salinger v. *United States*, 272 U. S. 542	31
Savage v. *United States*, 270 Fed. 14, certiorari denied, 257 U. S. 642	38, 47
School of Magnetic Healing v. *McAnnulty*, 187 U. S. 94	26
Seven Cases v. *United States*, 239 U. S. 510	23, 36
Shell Oil Co. v. *State Tire & Oil Co.*, 126 F. (2d) 971	38
Shreve v. *United States*, 103 F. (2d) 796, certiorari denied, 308 U. S. 570	36
Shushan v. *United States*, 117 F. (2d) 110, certiorari denied, 313 U. S. 574	45
Simon v. *United States*, 123 F. (2d) 80, certiorari denied, 314 U. S. 694	28
Simons v. *United States*, 119 F. (2d) 539, certiorari denied, 314 U. S. 616	36
Steiner v. *United States*, 134 F. (2d) 931, certiorari denied, 319 U. S. 774	46
Streep v. *United States*, 160 U. S. 128	42
Tucker v. *United States*, 224 Fed. 833, certiorari denied, 241 U. S. 668	38
Tucker v. *United States*, 151 U. S. 164	28
United Cigar Whelan Stores Corp. v. *United States*, 113 F. (2d) 340	28
United States v. *Atkinson*, 297 U. S. 157	28
United States v. *Buckner*, 108 F. (2d) 921, certiorari denied, 309 U. S. 669	46
United States v. *Comyns*, 248 U. S. 349	38
United States v. *Dilliard*, 101 F. (2d) 829, certiorari denied, 306 U. S. 635	36
United States v. *Groves*, 122 F. (2d) 87, certiorari denied, 314 U. S. 670	46
United States v. *Lowe*, 115 F. (2d) 596, certiorari denied, 311 U. S. 717	47
United States v. *Manton*, 107 F. (2d) 834, certiorari denied, 309 U. S. 664	28
United States v. *Minnec*, 104 F. (2d) 575, certiorari denied, 308 U. S. 577	47
United States v. *Procter & Gamble Co.*, 47 F. Supp. 676	46
United States v. *Ried*, 42 Fed. 134	25
United States v. *Rowe*, 56 F. (2d) 747, certiorari denied, 286 U. S. 554	44
United States v. *Schlatter*, 235 Fed. 381	25
United States v. *Socony-Vacuum Oil Co.*, 310 U. S. 150	28
United States v. *White*, 150 Fed. 379	25

Cases—Continued. Page

Vulcan Metals Co. v. *Simmons Mfg. Co.*, 248 Fed. 853, certiorari denied, 247 U. S. 507 39

Watlington v. *United States*, 233 Fed. 247, certiorari denied, 242 U. S. 645 44

Statutes:

Act of March 2, 1889, 25 Stat. 873 41

Act of May 27, 1933, c. 38, sec. 17, Title I, 48 Stat. 74, 15 U. S. C. 77q 44

Criminal Code, Sec. 215, 35 Stat. 1130, 18 U. S. C. 338 .. 3, 40, 42

Revised Statutes, Sec. 5480 ..... 40, 42

Miscellaneous:

Thayer, *Legal Essays*, pp. 327–328 (*Trial by Jury of Things Supernatural*) 29

In the Supreme Court of the United States

OCTOBER TERM, 1943

No. 472

THE UNITED STATES OF AMERICA, PETITIONER

v.

EDNA W. BALLARD AND DONALD BALLARD

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF FOR THE UNITED STATES

OPINION BELOW

The opinion of the circuit court of appeals (R. 1625–1631) and the opinion of Judge Denman concurring in the denial of the Government's petition for rehearing (R. 1633–1634) are reported at 138 F. (2d) 540.

JURISDICTION

The judgment of the circuit court of appeals was entered on June 21, 1943 (R. 1632). Petition for rehearing was denied on September 29, 1943 R. 1633). The petition for a writ of certiorari was filed on November 3, 1943, and was granted Jan-

uary 3, 1944. The jurisdiction of this Court is conferred by Section 240 (a) of the Judicial Code as amended by the Act of February 13, 1925. See also Rules XI and XIII of the Criminal Appeals Rules promulgated by this Court May 7, 1934.

QUESTIONS PRESENTED

In a trial for use of the mails to defraud by the propagation of a purported religious movement, the trial judge stated to the jury that the truth or falsity of the religious representations or beliefs was not in issue, and that the defendants should be acquitted if they honestly and in good faith believed what they wrote and said, and convicted if they did not so believe but used the mails to obtain money. The statement was given with the approval of defense counsel, was relied on by them, and quoted in their summation, as a favorable view of their case.

1. May reversal of conviction be predicated on a statement of the trial judge given in the circumstances described?

2. Did the trial judge, by this statement, remove from the jury's consideration all issues in respect of fraudulent misrepresentation?

3. Assuming that no question of misrepresentation was submitted to the jury, did the issue submitted under the judge's charge constitute a scheme to defraud under the mail fraud statute?

STATUTE INVOLVED

The mail fraud statute (Section 215 of the Criminal Code, 18 U. S. C. 338), provides:

> Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, * * * shall, for the purpose of executing such scheme or artifice or attempting so to do, place, or cause to be placed, any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall take or receive any such therefrom, whether mailed within or without the United States, or shall knowingly cause to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such letter, postal card, package, writing, circular, pamphlet, or advertisement, shall be fined not more than $1,000, or imprisoned not more than five years, or both.

STATEMENT

An indictment in twelve counts charging use of the mails to defraud and conspiracy so to use the mails was returned in the United States District Court for the Southern District of California against Edna W. Ballard, her son Donald Ballard, and others (R. 2–22). The scheme to defraud set forth in the indictment charged that the defendants and Guy W. Ballard (who died before the indictment was returned) organized a purported religious organization known as the "I Am" movement, and in connection therewith formed and dominated two corporations known as the St. Germain Foundation and the St. Germain Press, established branch offices and meeting rooms in various cities, and arranged a number of radio programs; that as a means of inducing their followers to purchase books, charts, pamphlets, etc., and to make donations to defendants and the organizations controlled by them, defendants made a number of false and fraudulent representations. Among the misrepresentations charged in the indictment were claims that Guy W. Ballard had attained a supernatural state of immortality; that all the Ballards had been selected as divine messengers through whom the teachings of St. Germain and other "ascended masters" would be communicated to mankind; that the Ballards had the power to conquer disease, death, old age, poverty, and misery; that they could cure

and had cured persons of physical ailments; that they had the power to precipitate from the air money and other material riches; that they had received divine visitations from St. Germain and other supernatural entities who dictated the books published by defendants; that the Ballards had actually encountered the experiences related in the books of the movement; that St. Germain had appeared in person before Charles Sindelar who painted the saint's portrait; that books, charts, and phonograph records issued by defendants had special salutary qualities which would be transmitted to purchasers; that since a cataclysm was about to engulf the earth it was wiser to give money to defendants than to invest it in banks, homes, insurance, etc. (R. 2–22.)

The evidence for the Government may be summarized as follows:

In 1930, at Mt. Shasta, California, Guy W. Ballard wrote a book called "Unveiled Mysteries" which purported to be his true experiences (R. 257, 417, 507, 614, 757–758). It was first published and offered for sale in 1934 (R. 242). For approximately two years before that time, Guy W. Ballard and his wife, Edna Ballard, had been conducting classes in Chicago at which they read portions of the manuscript of "Unveiled Mysteries" and a second book called "The Magic Presence" (R. 242, 427–430, 475, 553). In the fall of 1934 the Ballards engaged Harry Sieber

573363—44——2

to act as their business manager and agreed to give him a percentage of the amount received from the sale of the books (R. 271, 274, 285–287, 291). Arrangements were made to have the Ballards conduct classes in various cities at which the disciples would understand that "love gifts" to the "messengers" would be acceptable, the proceeds of such gifts to be divided equally between the Ballards and Sieber (R. 273–274, 278–279, 291). The tour was a financial success, each class resulting in gifts totaling approximately $1,000 (R. 295–296).

Thereafter, the "I Am" movement grew rapidly. Disciples were appointed "messengers" and given authority to conduct classes and reading rooms in various cities (R. 431–433, 435–437, 487–489, 755, 765–766). The local groups operated independently but purchased books, charts, records, etc., from the St. Germain Press, a business corporation wholly owned by the Ballards (R. 240, 436, 584, 615, 755–756, 762–766). The Ballards themselves conducted a number of classes in various cities at which autographed books were sold and substantial love offerings received (R. 561–562, 616, 632, 767). At one of the classes conducted in Los Angeles between July 1 and July 17, 1938, the receipts totaled $27,796.22 of which $12,454.75 represented love gifts (Ex. 142, R. 562). At another class conducted from June 30 to July 16, 1939, receipts totaled $17,613.36 of which $9,435.15 consisted of love gifts (Ex. 142,

R. 562). By 1940 the publications consisted of seven volumes published by the St. Germain press (R. 234, 241–242, 553) and a magazine called "The Voice of the I Am" published by a follower of the movement (R. 1058). Each student was urged to buy his own set of books and to refrain from lending his copies to others, as the radiation of another person would lessen the beneficent effect (R. 400, 510, 614–615). The radio was used extensively, approximately $190,000 being spent for radio advertising (R. 253–254, 645–646). Records for radio transcriptions were sold to the local groups, who assumed responsibility for the sponsoring of broadcasts (R. 437, 448–449, 646–647, 654–655, 666–668, 679, 684, 759). Phonograph records, advertised as having a special healing quality because of their blue color, and a painting, represented as the perfect likeness of St. Germain as he appeared to the Ballards and to the artist, Sindelar, were offered for sale (R. 349, 352, 354, 590, 644, 647). The Ballards engaged in extensive correspondence with persons throughout the country, receiving between 25 and 50 letters a day (R. 538). About one-fourth of the letters enclosed money as love gifts (R. 538).

Among the representations of the movement were the following:

Divine Visitations.—St. Germain and Jesus had appeared before the Ballards in tangible form, so that they could shake hands (R. 243, 257, 262, 398–399, 596, 737–738, 757–758). St. Germain and

other "ascended masters" dictated the published discourses of the movement (R. 254–255, 507–508, 614). These masters would appear before group meetings in their tangible form (R. 398–399, 506, 570).

Healing.—The invocation of the great "I Am Presence" would cure diseases considered by medical science incurable (R. 249–250, 258, 260, 264, 394, 405–406, 443–444). Thousands of people had been cured in this manner (R. 249–250, 258, 406, 444, 572).

Ascension.—Until 1938, the Ballards taught that human beings would ascend in their physical body; that this could be accomplished before death; that the ascended person could thereafter return to earth (R. 433–435, 509–510, 569, 628–629, 713); and that Ballard himself had made the ascension and had been purified (R. 755). Late in 1938 a new dispensation was announced by which it was proclaimed that the physical body would remain on earth but that the etheric body would ascend (R. 443; see R. 938, 978).[1]

Precipitation.—Persons who adhered to the teachings of the movement would be able to precipitate from the air gold, jewels, and other material needs. The sparkles of light that one saw in the sunlight were the elements from which the desired substances would be precipitated. (R. 397, 450, 476–477, 715, 761.) One of the dis-

[1] Guy W. Ballard died in December 1939 (R. 533, 743–744).

courses explained to the students how "money may be precipitated without interfering with the government allotment" (R. 482–484, later printed in Ex. 5, pp. 118–120).

Cataclysm.—A cataclysm was soon to engulf the earth but the followers of the "I Am" movement would be saved (R. 401, 409, 445, 507, 854). In fact, the presence of the Ballards had saved San Francisco from destruction (R. 401–402, 588, 854).

The books and discourses purporting to be dictations from the ascended masters were elaborated upon and revised (R. 429–430, 475, 557–560). Factual errors were called to the Ballards' attention and were corrected (R. 345–346, 359).

The foreword of the book "The Magic Presence" contains the following statement:

> The retreats, people, and instruments which I saw and associated with while with the Ascended Masters are real physical places and things and tangible living breathing beings. They were not imaginary or symbolic and are not to be interpreted in any such way. (R. 757–758; Ex. 4, XII.)

The book recounts alleged experiences of Guy W. Ballard in Europe and in Asia over a period of several years beginning in 1931 (Ex. 4, p. 132), complete with such details as the fact that he took a taxi (p. 226); that considerable tipping was required to secure passage on a steamship

(pp. 226–227); that he sailed on the S. S. *Majestic* which was escorted out to sea by tugboats (p. 297); that his boat docked at Cherbourg (p. 310); that he visited the Louvre (p. 311) and drove to Marseilles by car (p. 312); that he was taken to "a private old hostelry, quaint but spotlessly clean" (p. 313); that they spoke to an old vender of jewels in Alexandria (p. 315); and that they rode on small mountain ponies in India (p. 370). Numerous witnesses, both for the prosecution and for the defense, testified that they believed in the truth of the narrative portions of the book and that such belief induced them to buy the book and join the movement (R. 408, 640, 757, 942, 958, 962, 986, 1045, 1087, 1102). During the years from 1931 to 1934 the Ballards were in fact living in Chicago (R. 553).

Despite the curative powers allegedly possessed by the Ballards, both Mr. and Mrs. Ballard and their followers suffered from illnesses and accidents (R. 332, 395, 446, 489, 534, 536; 512, 604, 743–744). While Guy W. Ballard was on his death bed, Mrs. Ballard told the class that he was with St. Germain doing special work (R. 715). Mr. Ballard's secretary, who was with him constantly, never heard anyone say he had been cured of cancer, although the Ballards represented that they had cured the disease (R. 406, 572). Two former followers of the movement testified that they had not observed any healings accomplished at the call of the messen-

gers (R. 406, 457). Requests for healing advice were answered by form letters and subordinates were told to "say the usual thing" in reply (R. 368–369, 420, 540, 548–549).

The blue phonograph records alleged to have a special healing radiation as the result of long preparation (R. 590) were prepared by the manufacturer without receiving a formula from the Ballards, and the final product was chosen from among several samples submitted to the Ballards (R. 645–647).

Before 1935, the Ballards used as the picture of St. Germain a photograph of a painting in which scrolls and an ancient script were employed as decoration. The photograph appeared in early editions of the book "Unveiled Mysteries" (Ex. 3; see R. 1063). The picture had been painted in about 1923 by Theresa de Carranza, and a photograph thereof was in Mr. Ballard's possession in 1930 (R. 836–837, 841, 1068–1070). The artist who painted the picture which was subsequently advertised as the result of a revelation by St. Germain (R. 349)[2] testified that his painting was the result of a men-

[2] Government's Exhibit 97 (R. 349), a circular advertising the painting, read as follows:

"The picture which Mr. Sindelar has painted of St. Germain is an absolute perfect likeness of him as we have seen him many times in the tangible body.

"St. Germain revealed himself to Mr. Sindelar previous to and while he was painting St. Germain's likeness and he has said that it was splendid.".

tal impression, that he had previously seen the picture appearing in "Unveiled Mysteries" and that the scrolls and script were copied from the photograph in the book (R. 1061–1064).

On several occasions Donald Ballard stated that the movement was "bunk" and that he would like to expose the work as a "fake" (R. 335, 595, 613).

A commercial spirit permeated the activities. According to letters introduced in evidence, St. Germain was concerned with such financial details as a 33⅓% limit on the discount for books (R. 285–287, 305), the manner of selling the picture (R. 354), and the sponsorship of radio programs (R. 684, 689, 692–693). The Ballards were careful to prevent the wholesale book business from slipping out of their hands (R. 306–307, 330–331). If there was an oversupply of one book its sale was stressed above the others (R. 368, 709). The publication of a new book of songs was announced as an important message from "the great harmony" (R. 587–589). Credit was sparingly extended in the sale of books and radio transcriptions (R. 297, 654–655). The Ballards were dissatisfied when receipts from love gifts at classes were not large (R. 368, 571, 723, 759) and reported to the staff that St. Germain had directed the students not to go to places where they could not make expenses (R. 563). The copyrights for the books, records, charts, etc., were held by the St. Germain Press, the

Ballards' business corporation (R. 240).[3] Mrs. Ballard and Donald Ballard had no source of income other than the "I Am" activity (R. 875, 879, 1080, 1140).[3] Their scale of living was such that, when Donald was only 18, he was given $11,000 in five months (R. 598).

Early in the trial, while Mrs. Schall, a former devotee of the movement, was on the stand (R. 393), the Government, over defendants' objection, introduced in evidence a number of books and magazines of the movement and read therefrom (R. 394–402). A conference of counsel was then held outside the presence of the jury (see R. 1346). The minutes of that conference have not been printed in the record; but summation by one of the defense counsel, in which he refers to the matter, shows that the relation of religious liberty to the trial of the case was there discussed (R. 1346). The trial judge then formulated his concept of the issues in the following statement to counsel which he thereafter repeated to the jury at "the request of counsel for both sides" (R. 402–404; see R. 1346–1347).[4]

---

[3] A list of the publications, records, etc., sold by the St. Germain Press appears in the back pages of each issue of "The Voice of the I Am" together with an announcement that the copyright is held exclusively by the St. Germain Press and the Ballards (see Exs. 10–67, 196–199).

[4] The transcript of the minutes of the conference shows that defense counsel made the suggestion that the judge repeat his statement to the jury at that time.

Now, gentlemen, here is the issue in this case:

First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable.

I point that out as one of the many statements.

Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this Court.

The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

If these defendants did not believe those things, they did not believe that Jesus came

down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty.

Therefore, gentlemen, religion cannot come into this case. I want to assure Judge Armstrong and the defendants and the Government that it will not be permitted to come in.

Now, we take up the third point, so there is going to be no misunderstanding so far as the Court is concerned.

No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were. And the defendants, I assume, from counsel and counsel's statements with reference to the books and pamphlets, have not so far withdrawn a single word of what they have written or what they have preached. The defendants, so far as I can gather it from the case, although they haven't started to put it in, are standing on the whole—not program, but the whole conception (I think that is a better word)—the whole conception of their relationship with the deity or, as it is used here, with the I Am Presence.

Now, gentlemen, that is going to be made so clear to this jury that they are not going to misunderstand it. And that is the whole case.

> Now, of course, gentlemen, the degree of proof, burden of proof beyond a reasonable doubt and the fact the defendants are clothed with the presumption of innocence which stays with them during the trial, and all of those different principles of law will be covered more completely and thoroughly in the Court's instructions to you at the conclusion of the trial. So that what I have said now, if you will please bear it in mind and carry it into the instructions, a part of which may be repeated, but don't isolate this from the instructions.

That statement was relied upon by defense counsel during the trial (R. 502, 1125–1126). It was repeated in substance in the summation by one defense attorney and verbatim by another as representing the "fundamental basis of this lawsuit" (R. 1336, 1346–1349). In his charge to the jury at the close of the case the judge repeated his prior instruction that "The religious beliefs of these defendants are not an issue in this court and not for your consideration" (R. 1576). The admonition was reiterated during the charge (R. 1571–1572, 1573, 1575, 1576, 1588–1590):

> This case does not present a question of the lawfulness of the calling of a mental healer, or of a religious healer, or whether or not mental science or prayer healing is a fraud, but it presents the question of the good faith of the defendants. You should consider this case with the distinct understanding that the practice of mental heal-

ing, suggestive healing, or healing by prayer, or other religious process, is, in Federal law, as lawful as healing by drugs, or by any science or practice. As to the right to use the postal establishment of the United States, no discrimination is made between those whose vocation is healing, whether they be allopathists, homeopathists, ostopathists, mental scientists or Christian Scientists, or the "I Am" doctrine. (R. 1571–1572.)

* * * * * *

The defendants are not on trial for evolving or devising an improvident or impractical scheme, even though you should find their activity or movement to be such. Nor are the defendants on trial for mere errors of judgment; nor are they on trial for devising a new religion, if it be such, with whose tenets you may not agree. The question here is not, insofar as the particular doctrines taught by the defendants are concerned; whether or not those doctrines are sound, or even plausible, but whether or not they were promulgated in good faith and not for the purpose of fraudulently obtaining money from others.

If, in promulgating those doctrines, even though the defendants received money therefor and used the money as charged, the defendants were acting in good faith, they were not, as to them, engaged in a scheme to defraud. If you have reasonable doubt as to whether or not the defendants were acting in good faith, you should acquit

them or those of them whom you find may have acted in good faith. (R. 1573.)

* * * * *

The question of the defendants's good faith is the cardinal question in this case. You are not to be concerned with the religious belief of the defendants, or any of them. The jury will be called upon to pass on the question of whether or not the defendants honestly and in good faith believed the representations which are set forth in the indictment, and honestly and in good faith believed that the benefits which they represented would flow from their belief to those who embraced and followed their teachings, or whether these representations were mere pretenses without honest belief on the part of the defendants or any of them, and, were the representations made for the purpose of procuring money, and were the mails used for this purpose. (R. 1575.)

* * * * *

Some of the teachings or representations of the defendants might seem extremely improbable to a great many people—* * *—these and other similar representations and statements might seem highly improbable to many people. Whether these incidents actually happened or not is not for your consideration. The religious beliefs of these defendants are not an issue in this court and not for your consideration. The issue is: "did these defendants honestly and in good faith, believe that these inci-

dents actually happened?" If they did they should be acquitted. If these defendants did not believe these incidents actually happened and did not believe that Jesus came down and dictated or that Saint Germain came down and dictated, and did not believe the representations and statements which they wrote, nor the statements and representations which they preached, and used the mails for the purpose of getting money, or other things of value, you should find them guilty. (R. 1576.)

* * * * *

With reference, further, to this question of intent, you are instructed that if defendants honestly believed in the doctrines which they announced, then no matter how visionary their views may have been, no matter how ill-founded their conclusions may have been, no matter how much sheer incompetence in the exercise of business judgment may have been their portion, unless, in the making of the statement and representations complained of, they were actuated by an intent to defraud, they are entitled to go free and your verdict should so determine.

The ultimate question of fact before you as a jury is as to the good faith of the defendants, and that question involves their belief in their representations and promises. While their belief is not the subject of direct proof, it may be ascertained from circumstances, and by proof of their actions and declarations. If the defendants

> were practicing their calling in good faith, the fact that they received compensation for their advice and services is of no consequence. (R. 1588–1589.)

Edna Ballard was found guilty on Counts 2, 3, 5, 7, 8, 11, and 12 [5] and was sentenced to one year on each count to run concurrently and to pay fines totaling $8,000 (R. 170, 180); Donald Ballard was found guilty on counts 8, 11, and 12 and was sentenced to 30 days on each count to run concurrently and to pay fines totaling $400 (R. 171, 182). Both prison sentences were suspended and defendants placed on probation for one year. The four other defendants were found not guilty on all counts (R. 172–176).

On appeal to the Circuit Court of Appeals, a divided court reversed the convictions on the ground that the above quoted statement by the trial judge erroneously removed from the jury's consideration the truth or falsity of the representations alleged in the indictment (R. 1631). The Circuit Court of Appeals found no other error in the conduct of the trial and found that there was substantial evidence to support the verdict if the issues had been properly presented to the jury (R. 1631). A petition for rehearing was denied, again by a divided court (R. 1632–1633). Judge Denman in a separate opinion, concurring in the denial of the peti-

[5] The checks and letters forming the basis of these counts were proved to have been sent through the mails (R. 373–374, 439–442, 589, 630).

tion for rehearing, took the position that the definition of the issues by the trial judge prevented the defendants from offering proof that the miraculous events had actually occurred, as evidence of their honest belief (R. 1633–1634).

SUMMARY OF ARGUMENT

I

In reversing the judgments of conviction, the court below took the view that the respondents' claims of supernatural visitations and their asserted beliefs were inescapably matters of fact the truth or falsity of which had to be submitted to the jury. The trial judge was of a different view. With respect to those matters he limited the issue to the honesty or good faith of the defendants' beliefs. This formulation was most consonant with the guarantee of religious freedom. As the record shows, counsel for the defendants welcomed the trial court's statement in this regard as the most favorable presentation of their case. Hence it is particularly appropriate here to apply the rule, held controlling in *Johnson* v. *United States*, 318 U. S. 189, 201, that a defendant may not pursue one course at the trial and, when it has proved unsuccessful, repudiate it on appeal.

Defense counsel's approval and reliance upon the trial judge's statement makes untenable, we submit, Judge Denman's position that respondents were precluded from offering proof that the mirac-

ulous events had actually occurred, as evidence of good faith. Respondents were not prevented from offering any proof which they wished to offer. Numerous witnesses took the stand in respondents' behalf in an endeavor to convince the jury of respondents' good faith. That they failed was not due to the exclusion of evidence. Four co-defendants were found not guilty.

II

In thus defining the issues, the trial court may have submitted to the jury less than the indictment charged; but respondents were not thereby injured; and if the issues which he did submit constituted an offense which was charged in the indictment and supported by the evidence, the convictions should not have been reversed. The issues left to the jury for determination did comprehend an offense charged under the mail fraud statute.

A. The statement by the trial judge did not withdraw from the jury's consideration all issues of fraudulent misrepresentation. The judge's statement related only to religious concepts and did not eliminate from the case the misrepresentations of ordinary fact charged in the indictment and established by the evidence. Since, as the circuit court of appeals acknowledged, the evidence was sufficient to support a finding of false and fraudulent representations, the convictions should have been affirmed under the settled rule

that in a mail fraud prosecution it is not necessary that the Government prove all the representations set forth in the indictment.

Even as to those representations relating to the religious beliefs of the defendants, the judge's charge defined an offense under the statute. The finding that defendants did not have the belief in their own doctrines which they represented themselves as having, was a finding that they made a material misrepresentation of fact. State of mind is itself a fact about which materially false and fraudulent representations may be made. *Seven Cases* v. *United States,* 239 U. S. 510, 517–518. Moreover, the statute prohibits the use of the mails in a scheme for obtaining money by false *or* fraudulent representations. The assertion in bad faith of a belief or opinion not honestly entertained is fraudulent. When the jury found that defendants made representations of a religious character in which they did not believe and on the basis of which they collected funds for their own use, it found that such representations were material and fraudulent.

B. Apart from the foregoing considerations relating to the element of false or fraudulent representations, the convictions should have been affirmed on the ground that the scheme which the indictment charged, the evidence proved, and the jury found, was a scheme to defraud under the mail fraud statute. The history of that statute

and the decisions interpreting it show that it provides for alternative offenses: the devising of a scheme or artifice (1) to defraud or (2) for obtaining money by false or fraudulent pretenses, representations or promises. Any intentional effort to despoil the public is a scheme to defraud, whether or not false representations are made in the course thereof. Illustrative are the decisions concerning schemes which involve breach of trust by public officials or by fiduciaries. Under the judge's charge, the jury must have concluded that respondents in bad faith organized a purported religious movement in which they did not believe, and used the mails in order to obtain money thereby. Such a scheme is a scheme to defraud condemned by the statute.

ARGUMENT

I

THE INSTRUCTION UPON WHICH REVERSAL WAS PREDICATED WAS APPROVED AND RELIED ON BY DEFENDANTS AS FAVORABLE TO THEIR CASE AND DID NOT CAUSE EVIDENCE ON THEIR BEHALF TO BE EXCLUDED

The essence of the Government's charge against respondents in this cause is that, under the guise of a religious movement, they used the mails to perpetrate a fraud. It is clear that conviction on such a charge does not violate the First Amendment. The guaranty of religious freedom there embodied, broad as it is, does not

protect from punishment every form of conduct violative of a general criminal statute enacted for the protection of the morals, health and welfare of the community. *Davis* v. *Beason*, 133 U. S. 333, 345; *Reynolds* v. *United States*, 98 U. S. 145, 166; *Baxley* v. *United States*, 134 F. (2d) 937 (C. C. A. 4). The federal courts have recognized, specifically, that a person is not exempt from prosecution under the mail fraud statute merely because he cloaks a scheme to defraud in the guise of religious belief.[6]

Such a prosecution under the mail fraud statute does, however, present a special problem. One element in the proof that a defendant fraudulently used a religious movement is to show the beliefs which he propagated. Yet to submit to a jury the question of the actual truth of his representations, as distinct from the honesty with which they are propounded, is to run the danger of transforming a mail fraud prosecution into a trial of the truth or falsity of asserted supernatural manifestations. Claims of supernatural visitation, by their nature, cannot be proved or disproved in the same manner as an

---

[6] *Crane* v. *United States*, 259 Fed. 480, 482 (C. C. A. 9); *New* v. *United States*, 245 Fed. 710, 712 (C. C. A. 9), certiorari denied, 246 U. S. 665; *United States* v. *Schlatter*, 235 Fed. 381, 383 (S. D. Cal.); *United States* v. *White*, 150 Fed. 379, 390 (D. Md.); *Post* v. *United States*, 135 Fed. 1, 9 (C. C. A. 5); *United States* v. *Ried*, 42 Fed. 134, 137 (W. D. Mich.).

ordinary representation of fact.[1] A jury should not be required inescapably to pass upon such questions. It is a fixed principle of our law that religious beliefs, as distinguished from the acts which grow out of such beliefs, are not subject to the judgment of our courts. "Thus the Amendment embraces two concepts, freedom to believe and freedom to act. The first is absolute but, in the nature of things, the second cannot be." *Cantwell* v. *Connecticut*, 310 U. S. 296, 303–304.

Such considerations properly prompted the trial judge to make the statement (*supra*, pp. 14–16) upon the basis of which the circuit court of appeals reversed the conviction. He said (R. 402–404):

> * * * the religious beliefs of these defendants cannot be an issue in this court.
>
> The issue is: Did these defendants honestly and in good faith believe those things * * *.
>
> No attack can be made, therefore, on whether or not these things happened, but when you have a program or you have certain representations set out, you have got to show what they were.

It is unnecessary to consider whether a trial judge would be obliged to open up the issue of the

---

[1] Cf. *School of Magnetic Healing* v. *McAnnulty*, 187 U. S. 94, 106, where this Court held that matters of medical opinion, such as the efficacy of mental healing, did not present a question of fact upon which a postal fraud order could be based.

truth of defendants' representations of religious phenomena in the unlikely event that defendants should seek to present proof thereof. In the present case counsel for the defendants, not unnaturally, were wholly content to rest their case on the issue of good faith in the representations made.

The record as printed (see note 4, page 13, *supra*) shows beyond question that defense counsel welcomed and approved the instruction by the trial judge which the circuit court of appeals found to constitute reversible error. One of the defense counsel in his closing argument quoted in full the preliminary instruction now attacked (R. 1346–1349), and the quotation itself reveals that the instruction was given at "the request of counsel for both sides" (R. 1346). Respondents' motions to strike out certain of the Government's evidence at the close of the Government's case were in large part supported by the claim that such evidence would enable the jury to speculate upon matters which the court had held were not in issue (R. 883–930). Several of the objections were expressly predicated upon the statement (R. 884, 886). Questions propounded by the prosecuting attorney in cross-examination of defense witnesses were disallowed because of that statement (R. 502) and defense counsel based the presentation of their case thereon (R. 1125–1126).

We have thus a case in which five eminent and experienced counsel (see R. 1183–1184) not only

did not object to the statement which the circuit court of appeals deemed to be reversible error, but actually asked for it, approved it, and on repeated occasions relied heavily upon it.[8] We are not here urging the technical rule that failure to object precludes review, although, in view of the fact that the evidence was found amply sufficient to support the verdict, a reversal might have been denied on such ground alone.[9] This is not a case where, through inadvertence, counsel failed to object to plain error. This is a case where a position deliberately chosen as favorable by experienced counsel is being repudiated because it was unsuccessful. It is therefore a case in which it is peculiarly appropriate to invoke the rule, recently iterated by this Court in *Johnson* v. *United States*, 318 U. S. 189, 201, that a defendant may not pursue one course at trial, and when it has proved unprofitable, repudiate it on appeal and thereby trap the trial court into error. As in

---

[8] Trial counsel did not participate in the appeal (Cf. R. 218).

[9] *United States* v. *Socony-Vacuum Oil Co.*, 310 U. S. 150, 238–239; *Holmgren* v. *United States*, 217 U. S. 509, 523, 524; *Allis* v. *United States*, 155 U. S. 117, 122; *Tucker* v. *United States*, 151 U. S. 164, 170; *Simon* v. *United States*, 123 F. (2d) 80, 85 (C. C. A. 4), certiorari denied, 314 U. S. 694; *United Cigar Whelan Stores Corp.* v. *United States*, 113 F. (2d) 340, 346 (C. C. A. 9); *United States* v. *Manton*, 107 F. (2d) 834, 846 (C. C. A. 2), certiorari denied, 309 U. S. 664; *Girson* v. *United States*, 88 F. (2d) 358, 360 (C. C. A. 9), certiorari denied, 301 U. S. 697; *Morris* v. *United States*, 61 F. (2d) 520, 521 (App. D. C.); cf. *United States* v. *Atkinson*, 297 U. S. 157, 160.

the *Johnson* case, *supra*, the failure of defense counsel, in their motions for a new trial and in arrest of judgment (R. 1605–1608), to urge the position taken in the circuit court of appeals shows clearly that respondents' objection to the trial judge's statement was a "mere afterthought."

The reliance which defense counsel placed on the trial judge's statement renders untenable, it is submitted, Judge Denman's position that the definition of the issues prevented respondents from proving that the miraculous events had actually occurred, as evidence of good faith (R. 1634). That position not only fails to recognize that such miraculous events should not readily be made the subject of proof,[10] but ignores the fact

---

[10] The rule which Judge Denman enunciates would have the same unfortunate results as that prescribed by the original decision. If a defendant may prove good faith by showing that a miracle had actually occurred, the Government would be entitled to prove bad faith by showing that it had not occurred. The courts need not so far divorce logic from reality as not to realize that such a rule would result in more harm than benefit to a sincere believer; that it would be easier to convince a jury of the improbability than of the probability of any particular miracle. The best protection of the religious liberties of the sincere believer is to adhere to the principle that such matters are not questions of fact to be tried in a court.

Compare J. B. Thayer, *Legal Essays*, pp. 327–328 (*Trial by Jury of Things Supernatural*):

"It is not impossible that we may yet see something of this sort done about Spiritualism; that is to say, may see the question passed upon whether it is or is not true. But so far, in

that defense counsel gave their full approval to the trial judge's statement. Respondents were not deprived of the opportunity to offer any evidence which they wished to offer. Forty-seven witnesses, including defendants themselves, took the stand in an endeavor to convince the jury of respondents' good faith. That they failed was not due to the exclusion of proof.[11]

There remains the question whether the issues left to the jury and resolved in the Government's favor constituted an offense under the statute.

---

modern times, such things do not come up in this way. When Spiritualists get into court nowadays, it is on the charge of defrauding people and using undue influence, as in the case of Home in England, twenty years ago, who was compelled to return several hundred thousand dollars' worth of property to a woman of seventy-five, a Mrs. Lyon, who had given it to him on the faith of certain alleged messages from her deceased mother; it was a mere question of undue influence, of the abuse of a relation of confidence.

"And so of the case of a Mrs. Fletcher, who, a few years ago, was found guilty, in London, of obtaining property by false pretenses and conspiracy. She has written a book about it, and insists that her spiritual communications were genuine, and so the pretenses were not false; and that the court wrongly rejected an offer on her part to prove them true, and so condemned her wrongly. But it appeared to the tribunal like a pretty vulgar case of fraud. The court left to the jury fairly the question of her own belief in the manifestations, which was the main thing."

[11] It is noteworthy that while respondents were convicted, four co-defendants were acquitted. Since these four defendants admittedly took an active part in the advancement of the movement (R. 1015, 1088–1089, 1168–1169, 1172–1173), their acquittal shows conclusively that the jury was following the trial court's admonition to judge good faith and not the doctrines themselves.

II

THE ISSUES SUBMITTED TO THE JURY COMPREHENDED AN OFFENSE UNDER THE MAIL FRAUD STATUTE

A. THE COURT DID NOT REMOVE FROM THE JURY'S CONSIDERATION ALL ISSUES OF FALSE OR FRAUDULENT REPRESENTATION

In limiting the issues in respect of religious representations to the question of good faith, the trial judge may well have submitted to the jury less than the indictment charged. But if the issues which he did submit for the jury's determination constituted an offense which was alleged in the indictment and supported by the evidence,[12] it was of course error to predicate reversal of the conviction upon the well-considered statement which was approved and relied upon by counsel for the respondents. We think it is clear that the trial judge did submit to the jury issues of false or fraudulent representation which define an offense under the mail fraud statute.

1. *False representations of fact.*—The majority opinion below is apparently predicated upon the assumption that all the representations set forth

---

[12] A conviction will not be set aside because of failure to prove or to submit to the jury some of the allegations set forth in the indictment, if the remaining allegations which were proved are sufficient to constitute an offense. *Hall* v. *United States*, 168 U. S. 632, 639; *Glover* v. *United States*, 125 F. (2d) 291, 293 (C. C. A. 5), certiorari denied, 316 U. S. 690; *Leche* v. *United States*, 118 F. (2d) 246, 247 (C. C. A. 5), certiorari denied, 314 U. S. 617; *Friscia* v. *United States*, 63 F. (2d) 977, 981 (C. C. A. 5), certiorari denied, 289 U. S. 762. Cf. *Salinger* v. *United States*, 272 U. S. 542, 549.

in the indictment relate to matters of religious beliefs, and that the judge's statement thus withdrew from the jury's consideration the truth or falsity of all such representations, leaving only the question of appellants' good faith. The statement, however, was not intended to have, and could not have had, such effect. It is carefully limited to "representations of belief in a divinity and in a supernatural power"; to "the whole conception of their relationship with the Deity, or, as it is used here, with the I Am presence." When he first made the statement during the testimony of Mrs. Schall, the judge specifically directed the jury not to isolate his remarks from the instructions to be given to them later (R. 404). In his charge to the jury, he defined religion in the language of *Davis* v. *Beason,* 133 U. S. 333, 342, as having reference "to one's views of his relations to his Creator, and to the obligations they impose of reverence for his being and character, and of obedience to his will" (R. 1574). He followed that definition with a repetition of his earlier statement (R. 1576). Prior and subsequent thereto, he repeatedly instructed the jury that they must find a scheme to defraud substantially as alleged in the indictment (R. 1568, 1570); that, to be guilty, appellants must have employed "any one of the false and fraudulent representations and pretenses alleged" (R. 1570); "that even though * * * persons are advocating a religious activity, that they must do so in

good faith and without making any substantial misrepresentations with the intent to deceive" (R. 1572); that "'Fraud' as used in this connection may be defined as an intentional perversion of the truth for the purpose of obtaining some valuable thing from another" (R. 1584); that there was a violation of the statute "where misrepresentations as to past or present facts are used or false promises made as to the future" (R. 1584); that

> If the representations intended to be made, as alleged in the indictment, were false, and the defendant honestly believed them to be true, then such representations would not be fraudulent. If, however, such representations were false and the defendant, knowing their falsity or not believing them to be true, intended that they should be made to deceive and induce certain persons to whom they were to be made, to part with value, then said scheme was one to defraud. (R. 1589)

The portion of the judge's charge to which the majority opinion below took exception, therefore, withdrew from the jury's consideration only the truth or falsity of those representations which related to religious concepts.

The indictment and proof include, however, representations of fact which do not fall within the scope of religious beliefs as defined to the jury by the trial judge. Item 7 (R. 12) alleges in part that respondents "had in fact cured

* * * hundreds of persons afflicted with diseases and ailments." Respondents' publications show that such representations were made (Exhibit 10, p. 23; Exhibit 47, pp. 6–7; Exhibit 55, p. 12; see also Statement, *supra*, p. 8).[13] The evidence (*supra*, pp. 10–11) supports a finding by the jury that such representation of fact was false and known by respondents to be false. Item 10 (R. 14) alleges in part that respondents represented that they had "actually encountered the experiences pertaining to each of their said names as related and set forth in said books, whereas in truth and in fact none of said persons did encounter the experiences". As shown in the Statement (*supra*, p. 9), the foreword to the book "The Magic Presence" is couched in such terms that a jury would be warranted in finding that respondents represented that the experiences related occurred on a physical plane. Such representations were conclusively shown to have been false, it having been shown, indeed, that during the years when Ballard was represented as undergoing significant experiences in Europe and Asia he was in fact living in Chicago (*supra*,

---

[13] *E. g.*, Exhibit 10, February 1936 issue "Voice of the I Am," p. 23: "In Long Beach countless healings took place during the lectures." Exhibit 47, pp. 7–8, "The Mighty Victory's Discourse": "There are thousands of people who have been healed at one call of the messengers"; Exhibit 55, p. 12; "The healing that takes place at their [the messengers'] call every hour of the day, week after week, and month after month, is unparalleled on earth."

p. 10). Item 14 (R. 17) sets forth a representation that phonograph records sold by respondents had salutary qualities, whereas respondents "well knew that said * * * records were man-made and had no ability to aid in achieving salvation." The Government's evidence as to the manner in which these records were prepared (*supra*, p. 11) supports a finding that such representation was a knowingly false representation of fact.

The jury could not have interpreted such representations of fact as relating to respondents' "whole conception of their relationship with the Deity." Read as a whole, the judge's charge instructed the jury that they must find a scheme to defraud substantially as charged in the indictment; that as to religious beliefs they could consider only good faith; and that they must find at least one false and fraudulent misrepresentation. They were specifically told (R. 1570):

> It is not essential that the Government prove each and every false pretense or representation alleged to have been made or intended to be made, but it is essential that proof be made that defendants did devise a scheme to defraud of substantially the kind and character alleged, and that one or either of them employed any one of the false and fraudulent representations and pretenses alleged, and in furtherance of such scheme used the United States mails in the manner alleged in the indictment.

Accordingly, since the critical instruction did not touch upon the factual representations which the jury must have found to be false—a finding which the circuit court of appeals held supportable by substantial evidence (R. 1631)—the judgments of conviction should have been affirmed under the settled rule that it is not necessary for the Government to prove all the representations set forth in the indictment.[14]

2. *Misrepresentation of belief.*—Even if it were to be assumed that the instructions withdrew from consideration the false or fraudulent character of all representations of fact and left open only the issue of good faith, the judgment should have been sustained on the basis of the jury's finding that respondents had no belief in the doctrines which they propagated. As this Court stated in *Seven Cases* v. *United States*, 239 U. S. 510, 517–518:

> state of mind is itself a fact, and may be a material fact, and false and fraudulent misrepresentations may be made about it.

See also *Philadelphia Storage B. Co.* v. *Kelley-How-Thomson Co.*, 64 F. (2d) 834, 837 (C. C. A. 8), certiorari denied, 290 U. S. 651.

---

[14] *Simons* v. *United States*, 119 F. (2d) 539, 549 (C. C. A. 9), certiorari denied, 314 U. S. 616; *Baker* v. *United States*, 115 F. (2d) 533, 541 (C. C. A. 8), certiorari denied, 312 U. S. 692; *Shreve* v. *United States*, 103 F. (2d) 796, 813 (C. C. A. 9), certiorari denied, 308 U. S. 570; *United States* v. *Dilliard*, 101 F. (2d) 829, 833 (C. C. A. 2), certiorari denied, 306 U. S. 635; *Havener* v. *United States*, 49 F. (2d) 196, 198 (C. C. A. 10), certiorari denied, 284 U. S. 644.

In the instant case, the conduct of the respondents in holding themselves out as "Ascended Masters," as charged in the indictment (R. 9–10), connoted, at the minimum, that they believed in their own doctrines. Their representations were such that others were to believe that respondents believed in them. It is difficult to imagine a situation in which the belief of the utterer in the truth of his own statements could be more material. The issue of respondents' belief was expressly tendered by the indictment. Each of the representations enumerated in the indictment is followed by the statement that respondents "well knew" the falsity thereof and that the representations were false and fraudulent. Item 20 (R. 21) specifically alleges:

> At the time of making all of the aforealleged representations by the defendants, and each of them, the defendants, and each of them, well knew that all of said aforementioned representations were false and untrue and were made with the intention on the part of the defendants, and each of them, to cheat, wrong, and defraud persons intended to be defrauded, and to obtain from persons intended to be defrauded by the defendants, money, property, and other things of value and to convert the same to the use and benefit of the defendants, and each of them.

The most frequent application of the principle that state of mind may be the subject of ma-

terial misrepresentation is the rule that a misrepresentation of present intention to perform a promise is a misrepresentation of existing fact. *United States* v. *Comyns*, 248 U. S. 349, 353; *Barnard* v. *United States*, 16 F. (2d) 451, 453 (C. C. A. 9), certiorari denied, 274 U. S. 736; *Philadelphia Storage B. Co.* v. *Kelley-How-Thomson Co., supra.* Absence of belief in promissory representations is of the same nature. A person cannot intend to perform that which he does not believe he can perform. *Knickerbocker Merchandising Co.* v. *United States*, 13 F. (2d) 544, 546–547 (C. C. A. 2), certiorari denied, 273 U. S. 729. The misrepresentations of a state of mind may be by conduct, as well as by express words. Thus, the ordering of goods on approval implies a promise to pay and if, at the time the order is placed, the buyer has no intention of paying therefor, he has made a fraudulent misrepresentation of fact. *Tucker* v. *United States*, 224 Fed. 833, 836 (C. C. A. 6), certiorari denied, 241 U. S. 668. See also *Savage* v. *United States*, 270 Fed. 14, 18 (C. C. A. 8), certiorari denied, 257 U. S. 642.

In the present case, the statute prohibits the use of the mails in a scheme for obtaining money by false *or* fraudulent pretenses, representations and promises. The assertion in bad faith of a belief or opinion not honestly entertained under circumstances which would justify reliance on such opinion constitutes fraud. *Shell Oil Co.* v.

State Tire & Oil Co., 126 F. (2d) 971, 974 (C. C. A. 6); *Keeler* v. *Fred T. Ley & Co.*, 65 F. (2d) 499, 501 (C. C. A. 1); *Vulcan Metals Co.* v. *Simmons Mfg. Co.*, 248 Fed. 853, 856 (C. C. A. 2), certiorari denied, 247 U. S. 507; *Goodrich-Lockhart Co.* v. *Sears*, 270 Fed. 971, 977 (E. D. Ky.) Certainly, guides to salvation, announced as the result of divine dictation, are promulgated with the intent of having them relied upon. When, therefore, the jury found that respondents made religious representations without belief in their truth, though to secure the belief of others, and with intent to obtain money, the jury necessarily found that such representations were fraudulent.

B. IN ANY EVENT, UNDER THE INSTRUCTIONS THE JURY NECESSARILY FOUND THAT RESPONDENTS IN BAD FAITH PROPAGATED A PURPORTED RELIGIOUS MOVEMENT IN WHICH THEY DID NOT BELIEVE IN ORDER TO OBTAIN MONEY, AND THIS WAS A FINDING OF A SCHEME TO DEFRAUD UNDER THE MAIL FRAUD STATUTE

Apart from the foregoing considerations, the conviction of respondents should have been affirmed on the ground that the scheme which the indictment charged, the evidence proved, and the jury found, was a scheme to defraud within the purview of the mail fraud statute. In holding that it was necessary for the Government to prove that respondents schemed to make some

representations and that some of such representations must have been shown to be false (R. 1631), the circuit court of appeals adopted an erroneously narrow construction of the mail fraud statute. The history of the statute and decisions interpreting it show conclusively that it provides for alternative offenses, the devising of a scheme or artifice (1) to defraud or (2) for obtaining money or property by means of false or fraudulent pretenses, representations or promises.

The present Mail Fraud Statute (Section 215 of the Criminal Code) is derived from Section 5480 of the Revised Statutes, which provided:

> If any person having devised or intending to devise any scheme or artifice to defraud, to [15] be effected by either opening or intending to open correspondence or communication with any other person, * * * or by inciting such other person to open communication with the person so devising or intending, shall, in and for executing such scheme or artifice, or attempting so to do, [use the mails] * * * such person, so misusing the Post Office Establishment, shall be punishable by a fine of not more than five hundred dollars, and by imprisonment for not more than eighteen months, or by both such punishments. * * *

---

[15] The word "or," rather than "to," was a mistake carried into the Revised Statutes. See *Brand* v. *United States*, 4 Fed. 394 (C. C., N. D. N. Y.).

In 1889 Congress wished to insure the statute's application to certain specific frauds then prevalent, and it reshaped the Section in this form (Act of March 2, 1889, 25 Stat. 873):

> If any person having devised or intending to devise any scheme or artifice to defraud, *or to sell, dispose of, loan, exchange, alter, give away, or distribute, supply, or furnish, or procure for unlawful use any counterfeit or spurious coin, bank notes, paper money, or any obligation or security of the United States or of any State, Territory, municipality, company, corporation, or person, or anything represented to be or intimated or held out to be such counterfeit or spurious articles, or any scheme or artifice to obtain money by or through correspondence, by what is commonly called the "sawdust swindle," or "counterfeit money fraud," or by dealing or pretending to deal in what is commonly called "green articles," "green coin," "bills," "paper goods," "spurious Treasury notes," "United States goods," "green cigars," or any other names or terms intended to be understood as relating to such counterfeit or spurious articles,* to be effected by either opening or intending to open correspondence or communication with any person, whether resident within or outside the United States, by means of the Post-Office Establishment of the United States, or by inciting such other person or any person to open communication with the person so devising or intend-

> ing, shall, in and for executing such scheme or artifice or attempting so to do [use the mails, such person shall be punishable, etc.] [The words added by this 1889 Amendment are in italics.]

That amendment, the courts held, did not limit the phrase "scheme or artifice to defraud" to schemes of the same nature as those enumerated in the added clauses.[16] Conversely, a scheme to sell counterfeit money need not also be a scheme to defraud; the new offenses created by the amendment are separate and distinct from the original offense.[17]

In 1909 section 215 of the Criminal Code superseded section 5480 of the Revised Statutes (35 Stat. 1130), and it has not been altered since that date. The section presently reads:

> Whoever, having devised or intending to devise any scheme or artifice to defraud, *or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises,* or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit [money] * * *, or any scheme or artifice to obtain money by or

---

[16] *MacKnight* v. *United States*, 263 Fed. 832, 834 (C. C. A. 1), certiorari denied, 253 U. S. 493; *Lemon* v. *United States*, 164 Fed. 953, 956 (C. C. A. 8); *Miller* v. *United States*, 133 Fed. 337, 340 (C. C. A. 8); *Milby* v. *United States*, 120 Fed. 1, 4 (C. C. A. 6); *Culp* v. *United States*, 82 Fed. 990 (C. C. A. 3).

[17] *Streep* v. *United States*, 160 U. S. 128, 132.

> through correspondence, by what is commonly called the "sawdust swindle," or "counterfeit-money fraud," or by dealing or pretending to deal in what is commonly called "green articles," "green coin," "green goods," "bills," "paper goods," "spurious Treasury notes," "United States goods," "green cigars," or any other names or terms intended to be understood as relating to such counterfeit or spurious articles, shall, for the purpose of executing such scheme or artifice or attempting so to do [use the mails], * * * shall be fined not more than $1,000, or imprisoned not more than five years, or both. [Italics added].

By this amendment Congress removed any doubt that still another particular kind of fraud fell within the statute just as the counterfeit frauds were added in 1889.[18] This most recent addition is found in the clause, italicized above, reading:

> or for obtaining money or property by means of false and fraudulent pretenses, representations or promises.

The presence of the disjunctive "or" indicates that the clause is not meant simply as a limitation upon the words "any scheme or artifice to defraud." Consequently, the section can now be read intelligently only in this manner:

---

[18] *Moore* v. *United States*, 2 F. (2d) 839, 841 (C. C. A. 7), certiorari denied, 267 U. S. 599; *Bettman* v. *United States*, 224 Fed. 819, 825–826 (C. C. A. 6), certiorari denied, 239 U. S. 642.

> Whoever, having devised or intending to devise any scheme or artifice (a) to defraud, (b) or for obtaining money or property by means of false or fraudulent pretenses, representations or promises, (c) or to sell, dispose of [counterfeit money] * * *, (d) or any scheme or artifice to obtain money by or through correspondence, by what is commonly called the "sawdust swindle" * * *.[19]

Both before and after 1909 the phrase "scheme to defraud" was broadly interpreted as including all intentional efforts to despoil the public.[20] The significant fact is the intent and purpose. A business legitimate on its face is a scheme to defraud if conducted with intent to deceive. *Myers* v. *United States*, 223 Fed. 919, 925 (C. C. A. 2); *Robinson* v. *United States*, 33 F. (2d) 238 (C. C. A. 9); *Watlington* v. *United States*, 233 Fed. 247, 249 (C. C. A. 8), certiorari denied, 242 U. S. 645; *Clupp* v. *United States*, 18 F. (2d) 906, 907 (C. C. A. 8), certiorari denied, 275 U. S. 548. The use of a legal contract with intent to defraud

---

[19] Section 17 of the Securities Act of May 27, 1933, c. 38, Title I, 48 Stat. 74, 84 (15 U. S. C. 77q) makes a similar distinction between use of the mails "(1) to employ any device, scheme, or artifice to defraud or (2) to obtain money or property by means of any untrue statement of a material fact."

[20] *Durland* v. *United States*, 161 U. S. 306, 314; *Brooks* v. *United States*, 146 Fed. 223, 227 (C. C. A. 8); *Foster* v. *United States*, 178 Fed. 165, 172 (C. C. A. 6); *Fournier* v. *United States*, 58 F. (2d) 3, 5 (C. C. A. 7), certiorari denied, 286 U. S. 565; *United States* v. *Rowe*, 56 F. (2d) 747, 749 (C. C. A. 2), certiorari denied, 286 U. S. 554.

is a crime under the statute although use of the same contract with honest intent may be lawful. *Miller* v. *United States,* 133 Fed. 337, 342 (C. C. A. 8); *McConkey* v. *United States,* 171 Fed. 829, 832 (C. C. A. 8). A representation of law, that rules of the Interior Department need not be observed, when made with intent to deceive, is fraudulent, although it may be lawful to decline to follow such rules. *Byrow* v. *United States,* 273 Fed. 769, 772–773 (C. C. A. 9), certiorari denied, 257 U. S. 653. The solicitation of money for medical treatment to be administered without regard to the needs of the patient, i. e., without intent to furnish treatment in good faith, is a scheme to defraud. *Hughes* v. *United States,* 231 Fed. 50, 53 (C. C. A. 5), certiorari denied, 242 U. S. 640. As the Eighth Circuit declared in *Brooks* v. *United States,* 146 Fed. 223, 227, "If the intent and purpose is to deceive and defraud the unwary it matters not what form the project is made to take."

A scheme to defraud may, therefore, exist although no misrepresentations are made in the course thereof. *Shushan* v. *United States,* 117 F. (2d) 110, 115 (C. C. A. 5), certiorari denied, 313 U. S. 574; *Kaufmann* v. *United States,* 282 Fed. 776, 779 (C. C. A. 3), certiorari denied, 260 U. S. 735; cf. *Fournier* v. *United States, supra.* A scheme to secure credit for a corporation by paying bills promptly and, after credit has been established, buying large quantities of material intend-

ing not to pay therefor, is a scheme to defraud although there is no misrepresentation of a single existing fact. *Kaufmann* v. *United States, supra.* The statute extends to a scheme to use the mails to bribe a competitor's employees in order to obtain trade secrets. *United States* v. *Proctor & Gamble Co.*, 47 F. Supp. 676 (D. Mass.). In a number of recent cases, the courts have held that use of the mails to effectuate the fraudulent conduct of the fiduciary or to further some other intentional breach of trust comes within the interdiction of the statute although no misrepresentations are expressed. *Steiner* v. *United States,* 134 F. (2d) 931, 933 (C. C. A. 5), certiorari denied, 319 U. S. 774; *Glover* v. *United States,* 125 F. (2d) 291, 293 (C. C. A. 5), certiorari denied, 316 U. S. 690; *United States* v. *Groves,* 122 F. (2d) 87, 90 (C. C. A. 2), certiorari denied, 314 U. S. 670; *Leche* v. *United States,* 118 F. (2d) 246 (C. C. A. 5), certiorari denied, 314 U. S. 617; *United States* v. *Buckner,* 108 F. (2d) 921, 926 (C. C. A. 2), certiorari denied, 309 U. S. 669.

Under the narrowest possible construction of the judge's charge in the instant case the jury must at least have found that respondents organized a purported religious movement in bad faith with intent to obtain money thereby. The scheme was, in substance, charged in the indictment.[21] If

[21] It is well established that, in a mail fraud case, the scheme need not be outlined with particularity, since the gist of the offense is the use of the mails. *Leche* v. *United States,* 118

all the allegations of fraudulent misrepresentation are eliminated therefrom, there still remains the accusation that respondents schemed to defraud the followers of the "I Am" movement by inducing them to join the organization (R. 3–4); by dominating the St. Germain press (R. 5, Sub. B, D); by arranging for meetings, classes and broadcasts at which the doctrines of the "I Am" movement were taught (R. 6–7, Sub. G–I). The evidence (see Statement, *supra*) amply supports the jury's finding that respondents devised this scheme in bad faith in order to obtain money. Such a scheme is similar to a breach of trust. Those who hold themselves out as religious leaders and in that capacity solicit contributions for their own use are accountable to the highest fiduciary standards, for they seek and obtain the utmost trust of their following. Where it is shown, as it was here, that they have played upon the religious instincts of others as a device for mulcting the public, their conduct comes within the prohibition of the statute at least as clearly as the conduct of public officials or directors of a corporation who have used the mails to further a breach of trust. Cf. cases cited *supra*, p. 46. Whatever its nature, it is clear

---

F. (2d) 246 (C. C. A. 5), certiorari denied, 314 U. S. 617; *United States* v. *Lowe*, 115 F. (2d) 596, 598 (C. C. A. 7), certiorari denied, 311 U. S. 717; *United States* v. *Minnec*, 104 F. (2d) 575, 577 (C. C. A. 7), certiorari denied, 308 U. S. 577; *Havener* v. *United States*, 49 F. (2d) 196, 198 (C. C. A. 10), certiorari denied, 284 U. S. 644; *Savage* v. *United States*, 270 Fed. 14, 18 (C. C. A. 8), certiorari denied, 257 U. S. 642.

that the scheme found by the jury was an intentional effort to despoil the public for respondents' personal profit. As the foregoing cases demonstate, such a scheme was a scheme to defraud, condemned by the statute.

CONCLUSION

The circuit court of appeals found no error in the conduct of the trial, other than the trial court's definition of the issues. Since the issues, as so defined, constituted an offense under the statute and the trial judge's statement was approved and relied upon by counsel for the defense, it was error to predicate reversal upon the statement. We therefore respectfully submit that the judgment of the circuit court of appeals should be reversed and that the judgments of conviction should be affirmed.

CHARLES FAHY,
Solicitor General.
TOM C. CLARK,
Assistant Attorney General.
ROBERT S. ERDAHL,
Special Assistant to the Attorney General.
BEATRICE ROSENBERG,
Attorney.

FEBRUARY 1944.

U. S. GOVERNMENT PRINTING OFFICE: 1944

FILE COPY

Office - Supreme Court, U. S.
FILED
DEC 20 1943
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

October Term, 1943

No. 472

THE UNITED STATES OF AMERICA, *Petitioner,*

vs.

EDNA W. BALLARD and DONALD BALLARD,

ANSWER TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT.

ROLAND RICH WOOLLEY,
JOSEPH F. RANK,
RALPH C. CURREN,
649 South Olive Street, Los Angeles 14,
Attorneys for the Respondent.

Parker & Baird Company, Law Printers, Los Angeles

TOPICAL INDEX.

PAGE

Statement of facts 1

Argument 17

I.

The United States has wholly failed to show that special and important questions of law are involved, necessitating the granting of the petition 17

A. The instruction didn't correctly state the issues 18

B. The record does not show the erroneous instruction was solicited by defendants' counsel, but if so solicited it would not constitute reason for granting the writ .. 22

C. The contention that the decision adopts an erroneously narrow construction of the mail fraud statute in conflict with the decisions of the other Circuit Courts of Appeal is based upon a misinterpretation of the indictment 25

D. The rule that a charge of fraud may be supported by proof that statements were made with a reckless disregard of their truth or falsity is inapplicable to this case 27

E. There is no merit in the claim that the opinion furnishes such diverse guidance as to warrant a review by this court 31

F. The decision of the Circuit Court of Appeals does not overlook the principle stated in Seven Cases v. The United States 33

INDEX TO APPENDIX.

1937 Radio Broadcast No. 1 1

Opinion of the United States Circuit Court of Appeal dated Jun. 21, 1943 9

Opinion of the United States Circuit Court of Appeal dated Sep. 29, 1943, denying petition for rehearing 22

TABLE OF AUTHORITIES CITED.

CASES.

	PAGE
Brown v. United States, 146 F. 219	26
Cohen v. United States, 50 F. (2d) 819	20
Cooper v. Schlesinger, 111 U. S. 148	28
Corvello v. Baumstuger, 115 C. A. 194, 1 P. (2d) 484	18
Farmer v. United States, 223 F. 902	21
Farmers League and Community Telephone Assn. v. Ohio & Mississippi Valley Telephone Co., 194 Ill. App. 166	19
Gage v. City of Vienna, 196 Ill. App. 585	19
Glover v. United States, 125 F. (2d) 291	27
Guardallibini v. United States, 128 F. (2d) 984	21
Hass v. United States, 93 F. (2d) 427	26, 29
Havener v. United States, 49 F. (2d) 196	29
John Hancock Ins. Co. v. Bartels, 308 U. S. 180	31
Knickerbocker Merchandising Co. v. United States, 13 F. (2d) 544	36
Landis v. North American Co., 299 U. S. 248	31
Mathews v. United States, 15 F. (2d) 139	29
Mazurosky v. United States, 100 Fed. (2d) 958	21
McLendon v. United States, 2 F. (2d) 660	21
Newingham v. United States, 4 F. (2d) 490	21
Rude v. United States, 74 F. (2d) 673	20
Sacramento Suburban Fruit Lands v. Harry Justice Curtis, 36 F. (2d) 923	19
Savage v. United States, 270 F. 14	26
Stutz v. United States, 47 F. (2d) 1029	19
United States v. Buckner, 108 F. (2d) 921	26
United States v. Corlin, 44 Fed. Supp. 940	20
United States v. Groves, 122 F. (2d) 87	27
United States v. Hess, 124 U. S. 483	26
United States v. Mannic, 104 F. (2d) 575	20
Weiss v. United States, 122 F. (2d) 675	21
West v. United States, 68 F. (2d) 96	29
Worthington v. United States, 64 F. (2d) 936	20

MISCELLANEOUS.

Unveiled Mysteries, p. 17 7

IN THE

Supreme Court of the United States

October Term, 1943

No. 472

THE UNITED STATES OF AMERICA,

Petitioner,

vs.

EDNA W. BALLARD and DONALD BALLARD,

ANSWER TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT.

Statement of Facts.

The defendants named in the indictment are all leaders of the I AM Activity, a religious organization which was founded about the year 1932 upon teachings received by the now deceased Guy W. Ballard (also named as a defendant in the indictment), husband of the defendant Edna W. Ballard and father of the defendant Donald Ballard, through revelations from whom are known by the I AM Activity as "Ascended Masters." Most of these revelations came from the Ascended Master Saint Germain. However, there are many of these Ascended Masters in addition to Saint Germain, among them being Jesus. The

Ascended Masters are believed by the I AM Activity to be divine beings who exist in an intermediate sphere between God and man. They are believed to be devoted to the assistance of Mankind and instrumental in the attainment by Mankind of high moral standards, harmony and eventual salvation. The words "I AM" denote the existence and relationship of the God Being in and to each individual.

Mr. Ballard received these revelations from the Ascended Masters commencing in the latter part of 1930 and until shortly prior to his death in December of 1939. After the foundation of the I AM Activity, the teachings were disseminated through classes held and conducted by Mr. Ballard and the other "Messengers," and, in connection therewith, groups of students in various cities throughout the United States and elsewhere were formed, and religious books, magazines and other articles were distributed throughout the groups and members of the Activity. Later, the teachings were also promulgated in radio addresses conducted by the Ballards.

The members of the I AM Activity are primarily students of the tenets and are found chiefly in the United States, but groups are maintained in Canada and other foreign countries. No actual lists or records of membership are maintained, but it is estimated that the number of students and members is at least 300,000, and may be many times that number.

Following the first revelations received by Mr. Ballard from Saint Germain, Mr. Ballard published a book entitled "Unveiled Mysteries." This book was followed by others: "The Magic Presence," "The I AM Discourses," etc., and, while containing some narrative of experiences of

Mr. Ballard with the Ascended Masters, chiefly encompass the tenets of the I AM Activity.

The first classes or meetings were held in and about Chicago, Illinois, but, later, at the suggestion of one of the followers, a Mr. Sieber, the Ballards held classes in other cities, and groups of students were formed in the larger cities throughout the United States. These groups held regular meetings, and, from time to time, in their cities, the Ballards would conduct larger classes attended not only by the members of the group in the particular cities, but by others who might come from other localities or those interested in learning the principles of the I AM, irrespective of actual membership. The various groups maintained reading rooms and sanctuaries in which were kept the literature of the Activity from which anyone who desired might, without charge, learn the basic teachings of the Activity. The books and literature of the Activity were also contained in most of the public libraries throughout the country, including the Congressional Library. They have been published in Braille and placed in numerous penal institutions throughout the country.

Each of the various groups is self supporting, defraying all of its own expenses. They are not financially accountable to the I AM Activity. They are not required in any way to contribute to the leaders of the organization. However, as to the manner of conducting meetings, as to the subjects to be taught, as to the manner in which they are taught and generally as to matters of faith and morals, they are directed by the parent organization. The groups are in charge of individual leaders appointed through the Ballards. The activities of the Movement are carried on through the Saint Germain Foundation, a non-profit cor-

poration. The books and other religious articles and paraphernalia are printed, manufactured and distributed through the Saint Germain Press, a stock corporation, the stock of which is owned by the Ballards. The Ballards are the officers of both corporations, the Saint Germain Foundation and the Saint Germain Press.

The Ballards are the Accredited Messengers of the Ascended Masters and, with their son, Donald, and others of the defendants who are appointed messengers, conducted classes in various cities throughout the United States. These classes were, in effect, congresses at which the Ballards and the other appointed messengers taught and explained to members and those interested the precepts and doctrines of the I AM Activity. The classes usually lasted for about a week, and some had as many as five thousand in attendance.

As aforesaid, all of the revelations were received by Mr. Ballard from the Ascended Masters during his lifetime. Since his death, the leaders of the I AM Activity have been engaged in expounding the teachings and tenets contained in these revelations.

The organization is financed and maintained either through voluntary donation or love gifts from the students or from the profits of the sale of the books and other religious articles used by the Activity. No dues, membership fees or tithings are charged or solicited, and, as aforestated, the individual groups are financially independent and not accountable to, or dependent upon, the central organization conducted by the Ballards. The radio broadcasts were authorized by the Ballards, but were sponsored by individual groups, private persons, or the Ballards personally.

There is a monthly magazine known as "The Voice" which is sponsored by the I AM Activity and is a vehicle for the release of teachings and announcements pertaining to the affairs of the Activity. However, the I AM Activity has no financial interest in the magazine. It is owned and published by Charles Sindelar, a member of the Activity.

All moneys received by the Ballards, as leaders of the Activity, whether such moneys are received from love gifts, donations, or sales, are in turn used by the Ballards in the advancement and expansion of the Activity. The Ballards, of course, as well as other Messengers who conduct classes and receive love gifts, defray their living expenses, overhead expenses and expenses of travel from this income. This is necessarily so, as the Ballards, the Messengers, and most of the group leaders have no business pursuits and devote their entire time to the advancement of the I AM Activity. The I AM Activity fosters an organization of male members known as "Minute Men," whose especial purpose is the advancement of patriotism to the United States and the defeat of all anti-American activities. The evidence shows that the I AM Activity teaches Christian principles conducive to high moral standards and good citizenship.

The substance of the indictment is contained in the opinion of the Circuit Court printed herafter in the appendix at page 9. From the filing of the indictment through to the denial of the motion for a new trial, the defendants questioned at every opportunity the sufficiency of the indictment and the sufficiency of the evidence offered in support thereof. Midway in the presentation of the Government's case, the court instructed the jury that the truth or falsity of the experiences that the defendants

claimed to have had with the Ascended Masters, that is, the truth or falsity of their religious tenets, was not in issue; that the only question to be decided was whether or not the defendants made representations concerning these teachings and experiences in good faith. Thus, there was removed from the indictment the truth or falsity of the representations of the defendants as to the many religious tenets specifically alleged in the indictment to have been misrepresentations. All attacks of the defendants against the indictment were overruled by the trial court, and the issue as defined by the trial court submitted to the jury, resulting in a verdict of guilty against appellants—as to Mrs. Ballard on Counts 2, 3, 5, 7, 8, 11 and 12, and as to Donald Ballard, on Counts 8, 11 and 12. A verdict of not guilty was rendered as to the other defendants. (Count 1 was dismissed as to all defendants.)

The defendants expounded the principles and tenets of the I AM Activity. The Government, in its indictment, referred to many of these tenets, that is, as to subject matter, and in the indictment alleged certain representations to have been made, which representations were alleged to have been false and known by the defendants to have been false. In other words, the Government, in its indictment, charged the defendants and the I AM Activity with making certain representations relative, among other things, to immortality, healing, precipitation, ascension, cataclysms, and many others. While it is true that the I AM Activity and the defendants did make representations in respect to such tenets, the fact is that the actual representations, beliefs and tenets were not as alleged in the indictment. *Thus:*

(1) The I AM Activity has as a tenet, and the defendants expounded, that every person is immortal in the sense

that "every individual has the Divine Flame of Life within him and that—God-part-of-him—has dominion wherever he moves in the universe." (Unveiled Mysteries, p. 17.) Further, the Activity maintained and preached that each individual passes through a series of re-embodiments, which re-embodiments would continue to occur until a certain perfection had been reached, at which time there would be no further requirement for earthly, carnate existence, and an ascension would occur. The defendants taught and believed that they had had previous embodiments, as had all other individuals. However, the defendants did not represent, nor did the I AM Activity hold as a tenet, as alleged in the indictment (Subds. 1 and 6, Subd. i) that Guy W. Ballard had attained a supernatural state of immortality, which condition enabled him to conquer disease, death, poverty, old age and misery, or that Edna W. Ballard and Donald Ballard had attained a supernatural state of self immortality by reason of which they were free from ailments common to man and were able to conquer disease, death, poverty, old age and misery, and which power the defendants were able to, and would, transmit to others willing to pay therefor.

(2) The I AM Activity also maintains as a tenet, and the defendants expounded, that Saint Germain, Jesus and other Ascended Masters had appeared to the Ballards in tangible, visible form, and that Saint Germain and other Ascended Masters had dictated the published discourses of the Activity. They further taught, in this respect, that it could be hoped that, if and when, through the practice of the tenets of the I AM Activity, the students could attain sufficient harmony and perfection, the Ascended Masters would appear to members and students of the I

AM in the physical, tangible, visible form. It was not, as alleged in the indictment, a representation that there "would be in one or more places in the United States an actual visitation of 'Ascended Masters' or divine entities, and that said divine entities would then and there appear in physical form before the assembled followers of the I AM Movement." (Subd. 15, Subd. i.) As aforesaid, it was merely represented that, if sufficient harmony and perfection were attained, such visitations could be expected.

(3) The I AM Activity also holds as a tenet, and the defendants expounded, that through calls made to the Mighty I AM Presence, healings and cures could be and had been effected; that such healings and cures had been effected not only by the calls made by the Ballards to the Mighty I AM Presence, but by individuals. Further, it was represented as a dictation and revelation of the Ascended Masters that Mr. Ballard had, through his calls to the Mighty I AM Presence, effected over twenty thousand healings "by his calls" in five years. In this connection, however, the Government charges in the indictment that the Ballards represented that they had the power to heal and the power to cure. Thus, the fact is that the Activity taught one thing and the indictment alleged another, the indictment ignoring completely that the cures were professed to have been accomplished only through calls rather than through any individual power.

(4) The I AM Activity also holds as a tenet, and the defendants expounded, that if and when a sufficient degree of harmony and perfection were attained by an individual through the practice of the tenets of the I AM Activity, the physical body would be purified and taken into the higher mental body and, thus, a physical ascension had.

Later, what is known as a New Dispensation was revealed by Saint Germain, wherein persons not otherwise able to complete the ascension in the present embodiment would be able to do so, that is, the purified essence of the physical body would be turned into the etheric body, leaving the human form, the outer structure or discordant portion, on the earth. [Exh. 44, R. p. 5.] The Government charges in the indictment that it was represented "that persons who followed the principles, doctrines and precepts of the I AM Movement and the teachings of the Ballards would not die but would ascend in their physical tangible bodies, associate with divine entities and Ascended Masters, and be able thereafter to return to earth at will and to re-ascend if they so desired." The Activity did not, nor did the defendants, teach, under either the new or the old dispensation, that the physical body in its ordinary state would ascend. Even before the New Dispensation, it was taught that it was the etheric body composed of the finest of the physical substance that would ascend. The New Dispensation as to ascension was announced in the latter part of 1938. Mr. Ballard died more than a year later. Still, the Government draws an innuendo that the New Dispensation relative to ascension was created in anticipation of Mr. Ballard's death, although at the time of the granting of the New Dispensation there was no indication of poor health or impending death.

(5) The I AM Activity also holds as a tenet, and the defendants expounded, that everything in the physical world came into physical form and manifestation by the activity of the law of precipitation: and that by the practice and application of the tenets of the I AM Activity sufficient harmony and perfection could be attained by the

individual to the extent that physical needs could be precipitated, provided they were for a useful purpose; that there are two kinds of precipitation—that through natural channels, and instantaneous precipitation. The Ballards and many of the students had been able to obtain precipitation through natural channels by sufficient belief and harmony. It was believed that eventually, when sufficient perfection and harmony had been achievd, instantaneous precipitation could be effected. The teaching concerning precipitation is somewhat akin to the power of prayer, believed efficacious by other faiths. The Ballards did not claim that they had been able to effect instantaneous precipitation. In fact, Mrs. Ballard testified that the closest she had ever been to obtaining instantaneous precipitation was one time when she had been able to condense in her hands points of light substance, which she examined under a reading glass, and which remained for approximately twenty minutes; that, except for that one time, she had not sought or obtained instantaneous precipitation. [R. p. 1148.]

But, contrary to the foregoing, the Government charges in the indictment that the defendants represented that the "Ballards had a divine and supernatural ability to bring forth from a supernatural state, money, riches and other things necessary to Mankind, and could transmit that ability to others willing to pay therefor." (Subd. 9, Subd. i.)

(6) The I AM Activity also holds as a tenet; and the defendants expounded, that cataclysms have occurred on the earth; that they would occur again, particularly, if the people did not live in harmony and make a conscious effort to obtain perfection. The I AM Activity did not teach that a date was set for a cataclysm. The Activity

did not teach that the United States had been saved from a cataclysm by the intervention of the defendants' power and influence. The tenets and teachings of the Activity are, of course, found in the books and discourses. Nowhere in the books or discourses was there any pretense of setting a date for a cataclysm, or any claim that the Ballards had in fact prevented cataclysms from occurring. However, there were one or two apostates who testified that in private conversation Mrs. Ballard had claimed that a cataclysm might be expected on a particular date, and that Mrs. Ballard had stated in private conversation that cataclysms had been prevented by the Ballards.

Petitioner in its statement, in addition to referring to the subject matters above covered, makes many statements relative to the effect of the evidence introduced in the trial, irrespective of their pertinency to any subject of the indictment. It is stated that the books and discourses were elaborated upon and revised. This is not true, except so far as concerns narrative portions of the books. There was no evidence that the discourses were revised or that any changes, other than those of a typographical character or those pertaining to punctuation were made.

Again, the Government says that the evidence shows that Mrs. Ballard had, during a class conducted while Mr. Ballard was on his deathbed, stated that Mr. Ballard was with Saint Germain doing special work. Certainly, anybody on his deathbed who believes in religion would devote his dying moments to attempts to commune with his God or with the angels or saints of his church. Mrs. Ballard did not say he was physically away somewhere with Saint Germain. There was no evidence that upon the occurrance of Mr. Ballard's death that the fact was concealed

or attempted to be concealed from the members of the I AM Activity.

Again, the Government says that Mr. Ballard's secretary testified that he had never heard any person claim or attest to the fact that such person had been cured of cancer, but that the Ballards had represented that such illness had been cured. Even though the secretary of Mr. Ballard testified that numerous people had told him that cures of one kind or another had been effected upon them, he did not profess to know of every cure that people claimed had been effected upon them. Moreover, he did not testify as the Government states, that the Ballards represented that they had effected cures, but always, as in all teachings, he testified that it was claimed that cures had been effected *through calls* made to the I AM Presence.

The evidence shows that innumerable letters were received by the Ballards asking them to place calls to the Mighty I AM Presence for cures. It became physically impossible for each of these letters to be answered by Mr. Ballard personally, so they were segregated into particular groups, and after being submitted to Mr. Ballard for the placing of calls, a particular form letter was dispatched by the secretaries and subordinates acknowledging the requests for the placing of the calls. This is criticized by the Government, but its reason for so doing is not clear, as it does not pretend that the answering of the letters had anything to do with the placing of the calls.

The I AM Activity believed that certain things were discordant. For instance, they believed that red meat, alcohol and tobacco were discordant. They also believed that the colors red and black were discordant. For a while certain phonograph records containing invocations and

discourses were manufactured and sold on the commonplace, black composition. Later, the Ballards, after considerable searching and investigation, discovered that the records could be manufactured of a blue-colored substance. They believed and represented that the blue record had certain healing powers. This is entirely consistent with their belief as to the discordant color black, and, undoubtedly, the statement was made in comparison to the effect of the black records. The Government, however, seeks to dispute the effectiveness of the blue record over the black record by therapeutic testimony, and, moreover, because the defendants did not personally invent or compound the substances out of which the blue records were made, would claim that it was a misrepresentation to say that considerable time and expense had been consumed in effecting the use of the blue record instead of the black.

Charles Sindelar, who publishes the I AM Magazine, "The Voice," was a member, student and believer in the I AM Activity. He had been an artist of considerable repute, having received commendation from various church dignitaries—Catholic, Protestant and otherwise—for his religious paintings. Before his association with the Activity, he had painted a picture of Jesus which he claimed to have been inspired by nightly visitations of Jesus to him in his sleep. The painting of this picture had nothing to do with the I AM Activity and was admittedly a beautiful picture. After the foundation of the I AM Activity, and while Mr. Sindelar was a member thereof, Mr. Ballard asked Mr. Sindelar to paint a picture of Saint Germain, and Mr. Sindelar drew a sketch or drawing of Saint Germain, which did not meet with the satisfaction of the Ballards. Thereupon, Mr. and Mrs. Ballard and

Mr. and Mrs. Sindelar sat down and called upon the MIGHTY I AM Presence to give Mr. Sindelar a better idea of the appearance of Saint Germain. He obtained a mental impression, started the picture, and, thereafter, in the course of its painting, he, Mrs. Sindelar and Mr. and Mrs. Ballard would sit down and call upon the Mighty I AM Presence for further impressions. When the picture was completed, Mr. Ballard agreed that it was a splendid picture of Saint Germain. Both the picture of Jesus and the picture of Saint Germain were advertised in "The Voice" magazine. The one of Jesus was described as being as Jesus had personally appeared to Mr. Sindelar. The one of Saint Germain was described as being a likeness of Saint Germain as he had appeared on many occasions in the retreat of the Ascended Masters. It was not claimed that Saint Germain had appeared to Mr. Sindelar, but the Government persistently misconstrues the representations made relative to these two pictures. Much ado is made of the fact that the Saint Germain picture had certain scrolls at the top, which scrolls are commonly found among Rosicrucian subjects. A contention that the picture of Saint Germain had actually been originally painted by Teresa de Carranza and copied by Mr. Sindelar was made by the Government, but a mere comparison of the pictures discloses their dissimilarity.

Donald Ballard at the time of the foundation of the I AM Activity was a young lad of about 14 years. Donald, according to the testimony of witnesses, had his doubts upon occasions as to the principles and tenets of the I AM

Activity. It was testified that Donald had, during periods of doubt, stated that he thought the movement was bunk and a fake. This was denied by Donald. The evidence also shows that Donald was given a liberal allowance, and, when he became married, was given moneys to provide himself with some luxuries. At the same time, the evidence undisputably shows that Mr. and Mrs. Ballard endeavored to curtail extravagances of Donald and reprimanded him from time to time as parents ordinarily reprimand their children. None of these indiscretions on the part of Donald were established to be anything unusual or of any great consequence.

Evidence was permitted to be introduced to the effect that, as the activities of the I AM expanded and its membership increased, the income from love gifts, sales of books, magazines, etc., increased, and that they were substantial. As in every religious organization, financial matters were a continuing problem. Naturally, the Ballards were not too pleased when income failed to meet needs and expectations. The evidence also showed that at one time the financial manager received a percentage of the sale of books and that limited discounts were allowed to retail stores who handled the religious articles and books of the Activity. By the same token, the evidence showed that the expenses of the organization were large; that the leaders of the Activity had no private income sources and their work entailed traveling from city to city with staffs of members (and considerable general expense). There was no evidence that, except for a reasonable living, the

Ballards received anything through the I AM Activity that was not put right back into its expansion and growth.

The appeal from the conviction was based not alone upon the erroneous instruction upon which the reversal was ordered by the Circuit Court of Appeals, but also upon insufficiency of the evidence, improper conduct of counsel and other errors. Conduct of counsel for the Government, particularly during argument, was exceedingly prejudicial. Denunciation of defendants and ridicule of their religion was freely employed. At one point it was argued that the defendants were cheats, charlatans and religious racketeers if they could not obtain visible and physical proof of the efficacy of their beliefs upon their own persons. [R. p. 1540.] Counsel insisted upon comparing the teachings of the Activity to the antics of the characters in the funny papers, and one of the Ascended Masters to a well-known radio comedian. [R. pp. 1237, 1503.] After reversal, petition for rehearing was made by the Government in the Circuit Court of Appeals and it was denied. The original opinion of the Circuit Court was written by Justice Mathews, and the opinion on denial of rehearing was written by Justice Denman. [For opinion of Justice Denman, see App. p. 22.]

ARGUMENT.

I.

The United States Has Wholly Failed to Show That Special and Important Questions of Law Are Involved, Necessitating the Granting of the Petition.

An examination of the grounds claimed by the Government as justifying the granting of the writ will show that none of them exists as claimed by the Government, and there is no justification shown for granting the relief requested. We will show that the alleged conflict between this decision and decisions of other Circuit Courts is wholly nonexistent, and that the claim that it does exist is based upon a misinterpretation of the indictment. Likewise, we will show that the decision of the Circuit Court is neither insufficient for the guidance of the trial court nor will it hamper the Government in the proper administration of the mail fraud statute. The decision of the Circuit Court turns on the propriety of an instruction given by the court to the jury. It should be first pointed out that two reasons for its being erroneous are set forth in the opinion. One only is discussed by the Government in its petition. Perhaps that fact is a tacit admission that the Circuit Court is correct in determining that the instruction was erroneous for the other reason given. We will, however, discuss briefly the first reason given by the Court.

A. The Instruction Didn't Correctly State the Issues.

It is notable that the petition for writ of certiorari wholly neglects to consider that portion of the opinion of the Circuit Court of Appeals wherein it is pointed out that the instruction involved did not constitute "a correct statement of the issues." The erroneous instruction was given twice, once in the course of the trial [R. p. 403], and again in almost identical terms, at the conclusion of the trial, when the court instructed the jury. [R. p. 1575.] *It commences with the words "here is the issue in this case," and, again, states: "The issue is." It concludes with the statement that if the defendants did not believe the things they wrote and preached, but used the mails for the purpose of getting money, "the jury should find them guilty."**

The instruction is clearly a formula or binding instruction, and the giving of it was error unless there was included in it all of the issues necessary to a verdict of guilty. In fact, it was doubly erroneous in that it not only stated the basis upon which the jury should find the defendants guilty, but on two occasions used the word "issue" in the singular when several issues were involved; nor was the issue stated, one actually before the jury.

A formula instruction should show the circumstances which must concur to warrant a verdict. *Corvello v. Baumstuger*, 115 C. A. 194, 1 P. (2d) 484. If an instruction undertakes to direct a verdict if the jury finds certain facts, it must necessarily contain all of the facts which will authorize the verdict directed, and it is imma-

*Note: All italics herein are ours.

terial that the court in the instruction did not undertake to instruct the jury on the whole case. *Farmers League and Community Telephone Assn. v. Ohio & Mississippi Valley Telephone Co.*, 194 Ill. App. 166. If it fails to do so, it is fatally defective and cannot be cured by other instructions. *Gage v. City of Vienna*, 196 Ill. App. 585.

An instruction is erroneous and reversible error which makes the case turn solely upon a certain fact and fails to include certain issues and to leave to the jury inferences to be drawn from the facts. *Stutz v. U. S.*, 47 F. (2d) 1029, 5th.

An instruction which states that a certain question of fact constitutes the "underlying issue" in the case is erroneous when such question of fact was not the issue at all. *Sacramento Suburban Fruit Lands v. Harry Justice Curtis*, 36 F. (2d) 923. We submit that in this case the court, in effect, informs the jury that the case turns on a certain issue of fact when there were many and also incorrectly states the one issue mentioned.

In addition to repeating this instruction in its charge to the jury, that charge contains further instructions emphasizing the error and in language equivalent to that condemned in the last-mentioned case. The court stated to the jury:

> "The question of the defendant's good faith is the *cardinal* question in this case." [R. p. 1575.]

Again,

> "The *ultimate* question of fact before you as a jury is as to the good faith of the defendants. . . ." [R. p. 1589.]

The opinion of the Circuit Court pointed out that one of the issues not covered by the instruction was whether the defendants "devised the scheme described in Counts 1-11. *The instruction itself omits entirely the necessity of proof of the devising of* a scheme, yet the devising of a scheme is an essential of the offense charged in the indictment. *Worthington v. U. S.*, 64 F. (2d) 936; *U. S. v. Mannic*, 104 F. (2d) 575; *Cohen v. U. S.*, 50 F. (2d) 819.

The defendant must knowingly devise such scheme, specific intent being required under the statute. *U. S. v. Corlin*, 44 Fed. Supp. 940.

Individual false representations unrelated to each other and not part of a scheme to defraud are insufficient to prove an offense. *Rude v. U. S.*, 74 F. (2d) 673.

Thus, contrary to the instruction, a finding of all of the facts which the court stated would warrant a verdict of guilty would not constitute proof of an offense under the mail fraud statute or any other federal law. Furthermore, the proof required by the Government is that defendants devised *the scheme laid in the indictment*. Proof of misrepresentation of facts unrelated to the alleged scheme forming the basis of the charge will not warrant a verdict of guilty. *Rude v. U. S.*, 74 F. (2d) 673.

A most cursory comparison between the instruction complained of and the indictment will show that, while the indictment charged a particular scheme, the instruction authorizes a verdict of guilty if the defendants did not believe "the things that they wrote, the things that they preached." It is for that reason we state that the one issue attempted to be stated was not an issue at all.

The second issue omitted, as pointed out in the opinion of the Circuit Court, was whether for the purpose of executing a scheme they used the mails in the manner described in the counts. The court does say that they must have used the mails "for the purpose of getting money"; but, obviously, this was not the issue. The question was whether they used the mails in the furtherance of the scheme laid in the indictment and in the manner charged in the indictment. The correspondence must have some relation to the scheme to defraud which is charged. It must be in execution of the scheme. *McLendon v. U. S.*, 2 F. (2d) 660; *Newingham v. U. S.*, 4 F. (2d) 490; *Weiss v. U. S.*, 122 F. (2d) 675.

The opinion points out that a third issue omitted was whether the defendants conspired to commit the offenses charged in Counts 1-11. It is settled that the law requires, in the case of a conspiracy, not only a combination to accomplish the scheme by concerted action, but a conspiracy to use the mails to execute the scheme, proof of which is not required in other than the conspiracy count. Proof of *intention to use the mails to* defraud is a necessary element of the offense, though not a necessary element of the substantive offense. *Guardallibini v. U. S.*, 128 F. (2d) 984; *Mazurosky v. U. S.*, 100 Fed. (2d) 958; *Farmer v. U. S.*, 223 F. 902.

In addition, the Circuit Court points out that, as a fourth issue, there was a question whether, to effect the objects of any conspiracy, a party thereto committed any of the overt acts charged in Count 12.

In each particular mentioned by the Circuit Court, the instruction given was erroneous and, entirely aside from other reasons given, warranted a reversal of the judgment.

B. The Record Does Not Show the Erroneous Instruction Was Solicited by Defendants' Counsel, But if so Solicited It Would Not Constitute Reason for Granting the Writ.

The Government claims that the instruction complained of was one asked for and approved by counsel for the defendants. Moreover, the Government says that the decision of reversal found the ". . . conviction . . . to have been supported by substantial evidence. . . ." In the first place, the decision of reversal by the Circuit Court did not find the *conviction* to have been supported by substantial evidence. The decision found that there was substantial evidence that the defendants schemed to make some, if not all, of the representations set forth in paragraphs 1 to 18 of the indictment, and that some, if not all, of the representations which they schemed to make, were false. It then goes on to state that as to whether such representations were false or true was a question which should have been submitted to the jury. Obviously, the court did not hold that there was substantial evidence to support the conviction, but merely pointed out that there was some evidence both ways as to whether or not the representations were true or false, and, that being so, it was the province of the jury to make a determination in this respect. Hence when the Government seeks to extend to this portion of the decision of the Circuit Court a holding that the *conviction* was supported by substantial evidence, the Government is seeking to write its viewpoint into the decision by giving a meaning to the words of the decision which is totally incompatible with its context.

The Government states that the instruction complained of was given upon the solicitation of the defendants. While this statement is made by petitioner on page 19 of

its petition, however, it is notable that record citation is curiously missing. True, on page 11 of its petition, the Government refers to Record p. 1346 to the effect that there was a discussion (denominated "conference" among counsel with the court immediately preceding the giving of the instruction. It is also fair to assume that in the course of the discussion the argument over the pending objection referring to the matter of relationship of religious liberties to the proffered testimony arose. On page 12 of its petition, the Government says that the court gave the instruction to the jury with the consent of counsel for both sides, and refers to pp. 402, 404 of the Record, as well as again to p. 1346 of the Record. A careful examination of these portions of the Record wholly fails to substantiate the statement of the Government. The Government realizes that, because, lo and behold, after citing the Record above, it appends a footnote at the bottom of page 12 referring not to the Record, but, to what is apparently the typewritten transcript of the trial proceedings. Surely the Government knows that this is not part of the Record, and under what authority it presumes to insert this footnote is not made clear. Again, it is indicated that the Government realizes its deficiency, because next it seeks to draw some support from the Record, at pp. 502, 1125 and 1126, to the effect that this instruction was relied upon throughout the trial by defense counsel. How this can be construed as being tantamount to a request for the original giving of the instruction is difficult to see. Defense counsel found themselves in the position of having to try the case under certain rulings made by the trial court. They were bound by those rulings in the presentation of evidence, as was the Government, and all that appears on

p. 502 of the Record is that defense counsel called attention to the ruling of the court now under discussion when a question was asked by the Government inconsistent with the prior ruling of the court. Likewise, at pages 1125 and 1126 of the Record, counsel for the defendants, in guiding its presentation of the defense evidence stated that it had in mind the ruling of the court as to the issue as defined in the instruction. This again shows merely that defense counsel were respecting the ruling made by the court on the issue. Next, on page 14 of the Record, in its petition, the Government says that defense counsel in argument referred to this ruling of the court. There is no doubt that this statement is true; but what effect does it have, except to show that, naturally and properly, defense counsel were limited by the decision of the court as to the issue as given in this instruction?

Thus, we see that the Government does not establish from the Record the premise of its argument in this respect. As a matter of fact, the court, in giving the instruction, stated that the arguments of counsel on the particular point raised were not necessarily the comment that he, the court, was about to make in giving this instruction. [R. p. 1346.] The most that can be said is that, after the trial court made its ruling, all counsel agreed that it was proper court procedure for the court to advise the jury as to what his ruling was. This, of course, is far from constituting, as the Government now says, an instruction given at the particular request of the defendants.

The Government has failed to show any authority or precedent that this contended request for the instruction by the defendants constitutes a reason for this Honorable

Court granting a review. Furthermore, the decision of the Circuit Court is not in anywise predicated upon a situation where the error is created by counsel; and if it be assumed that the court erroneously construed the record, still no inconsistency in the decisions would be shown.

C. The Contention That the Decision Adopts an Erroneously Narrow Construction of the Mail Fraud Statute in Conflict With the Decisions of the Other Circuit Courts of Appeal Is Based Upon a Misinterpretation of the Indictment.

An inspection of the indictment shows that it alleges the formation of a certain scheme to defraud, which scheme was one to obtain money *by false and fraudulent representations*. [R. pp. 4, 5, 6, 8.] In most instances, direct reference is made to the 19 representations set forth specifically and in detail at pp. 9-20 of the record. [R. pp. 3 and 5.] Pages of the indictment are occupied with detailed and specific statements of the representations which the defendants allegedly schemed to make. The trial was had upon the theory that the scheme alleged was one to obtain money by means of false representations detailed in the indictment. For the first time, on the petition for rehearing in the Circuit Court of Appeals, and in this petition, the Government suggests a new theory, to wit, that the scheme, instead of being one to obtain money by means of the representations set forth, was predicated upon a theory of fiduciaries defrauding their beneficiaries. In other words, the Government now wishes to ignore, apparently as surplusage, almost the entire indictment. It must, however, be borne in mind that it is the established rule that it is not sufficient merely to allege a scheme to defraud, but that the scheme must be stated with all such particulars as are essential to consti-

tute the scheme or artifice and to acquaint the defendant with what he must meet on the trial. (*U. S. v. Hess*, 124 U. S. 483.) The particulars of the scheme are matters of substance and must be set forth with sufficient certainty fairly to acquaint the defendant with the charges against him. (*Savage v. U. S.*, 270 F. 14, 8th.) The scheme so alleged must be substantially the scheme proved by the Government or a conviction will be set aside. (*Hass v. U. S.*, 93 F. (2d) 427; *Brown v. U. S.*, 146 F. 219, 8th.)

In view of the foregoing rules of law, the indictment can only be interpreted as one alleging a scheme for obtaining money by making some of the numerous misrepresentations set forth in the indictment, and defendants were entitled to, and did assume it was concerning such a scheme that proof would be offered. It is not contended that the Government must prove the existence of all alleged misrepresentations. However, it is contended that, where the scheme alleged in the indictment is one to obtain money by misrepresentations, then some at least of those representations must be proved false. An inspection of the cases cited by the Government will show that they do not conflict with the foregoing statement or with the decision of the Circuit Court of Appeals. They represent cases where a fiduciary has defrauded a beneficiary through a breach of trust. Thus, in *U. S. v. Buckner*, 108 F. (2d) 921, Buckner, as a member of a committee of bondholders, intentionally misused the money collected to further their cause and also used his position of trust for the purpose of making a profit for himself by the use of inside information. This was the charge which was made against him in the indictment. In other words, he was

charged under an indictment which alleged a scheme amounting to a breach of trust, and he was tried on the scheme laid in that indictment. Similarly, in *Glover v. U. S.*, 125 F. (2d) 291, the indictment charged that the defendant, a public official, devised a scheme corruptly to obtain improvements upon lands purchased and owned by him by using state funds for their improvement. In *U. S. v. Groves*, 122 F. (2d) 87, one defendant, who was a director of the corporation involved, was charged with conspiring with others to buy stock and resell it to the corporation at a higher figure. Thus, it appears, from an inspection of the cases cited, that in each and all the scheme charged was a scheme to defraud by misuse of a trust relationship. We do not question that they are correct statements of law, but merely assert that they are inapplicable to the situation before the court.

D. The Rule That a Charge of Fraud May Be Supported by Proof That Statements Were Made With a Reckless Disregard of Their Truth or Falsity Is Inapplicable to This Case.

As stated before, the decision of the Circuit Court is based upon the erroneous nature of the instruction given. The Circuit Court of Appeals held that it was error not to submit to the jury the truth or falsity of the representations set forth in paragraphs 1-18 of the indictment, and that it was incumbent that proof be made that some at least of the representations were false.

The Government now claims that a charge of fraud is supported by proof that the statements were made with a reckless disregard of their truth or falsity. We do not question that the rule is that the element of *fraudulent intent* in making a representation may be supplied by proof

that the statement was made recklessly or in disregard of the truth, and that is all the cases cited hold.

In *Cooper v. Schlesinger*, 111 U. S. 148, the court states that one cause of action, regarding steel-making facilities, was founded upon knowledge of the falsity of the representations. The trial jury was instructed that, if a person makes a *false* statement it is not necessary in order to prove fraud that he know precisely that it is false; "that it is enough if it is recklessly made without belief in its truth. . . ." An exception to that instruction was properly overruled.

In *Pierce v. U. S.* the defendants were charged with criminal espionage. The court states that the third count against them depended upon the falsity of certain material printed and distributed and knowledge of its falsity. Evidence was introduced of the falsity of the material. The court also states that since it involved, as it did, the reason for our entrance into the last war, it was common knowledge that the statements made were false. The court then states, "The jury was warranted in finding that the statements were false in fact and known to be so by defendants, or else distributed recklessly, without effort to ascertain the truth. . . ." Clearly, the recklessness mentioned in the court's statement refers to the knowledge of falsity and not to whether or not the statements were in fact false. Other evidence had been introduced to prove that fact. It is one thing to hold that proof of fraudulent intent may be made by proof that the statement is made recklessly without ascertaining its truth or falsity. It is quite another to hold that a defendant may be found guilty of fraud when he made a truthful statement merely because he did not make sufficient investigation before making such statement.

The instruction held error disregards the truth or falsity of the representation and justifies conviction irrespective of truth or falsity, if the representation is not believed. The decision of the court does no more than determine that where a false representation is charged to have been made, the falsity thereof must be shown. The indictment was that certain representations were false *and* were known by the defendants to be false. Both of those elements had to be proved by the Government, not simply one of them. While the element of knowledge may be proved by showing what is apparently accepted as its equivalent—that the statement is recklessly made without investigation as to its truth or falsity—the falsity of the representation is an essential element of an indictment and of the proof under it. It seems never to have been questioned but that some at least of the representations charged to be false must be proved false, the only question having been whether the Government must prove that substantially all of the representations in an indictment are false. (*Mathews v. U. S.*, 15 F. (2d) 139 (8th); *Havener v. U. S.*, 49 F. (2d) 196 (10th).)

In *Hass v. U. S.*, 93 F. (2d) 427, it was questioned whether an indictment was sufficient which, while alleging the representations to be false, apparently did not allege specifically wherein they were false. The court upheld the indictment, stating that an allegation that a representation was false was a sufficient negation of its truth.

In *West v. U. S.*, 68 F. (2d) 96 (10th), a mail fraud action, where the defendants were charged with selling a compound falsely representing that it would assist in the cure of syphilis, the court instructed the jury as follows:

> "So the whole case boils down to a question of their intent or honesty of purpose in making the rep-

resentations they did in those letters and in selling and distributing this so-called chloride of gold and sodium (the compound involved) as a cure for blood disease or syphilis . . ."

It will be noted that the foregoing instruction is somewhat similar to that criticized by the Circuit Court in the case at bar, although it is not as strong because it did not, as in the case at bar, direct a verdict of guilty if the jury did not believe the remedy had efficacy. The court held that if the compound was a cure or remedy, as represented, then no offense, as charged in the indictment, was committed by defendants, and that the burden was upon the prosecution to prove by substantial evidence that it was not a cure or remedy, before the court could submit the case to the jury. The court further held that if the representations were in fact false, even so, the defendants would not be guilty unless they knew them to be false or acted with reckless indifference as to their truth or falsity; that in submitting only this issue to the jury and assuming that the compound was not, in fact, a remedy, the court had erred as it had failed at any point in its instructions to tell the jury that if the remedy was an effective one, defendants could not be convicted. The judgment was reversed on the ground that the instructions were improper.

No case of which we have knowledge supports the Government's contention that proof of the untruthful nature of a representation can be made by showing that the representation was made with a reckless disregard for its truth or falsity.

E. There Is No Merit in the Claim That the Opinion Furnishes Such Diverse Guidance as to Warrant a Review by This Court.

Cases where a writ has been granted for this reason vary greatly from the one at bar. In the case of *John Hancock Ins. Co. v. Bartels,* 308 U. S. 180, cases involving the bankruptcy of farmers had been decided differently by the same Circuit Court, due to the divergent views of the judges sitting in the different cases. In *Landis v. North American Co.,* 299 U. S. 248, four judges sat in the case. There were three opinions, only one of which was concurred in by another justice. Both cases presented important questions of law: The first, interpretation of the Bankruptcy Act involving farmers; the second, the validity of the Securities Exchange Act. The court, in each case, mentioned that the divergent views of the different justices, together with the importance of the question involved, concurred in furnishing reason for the granting of the writ, in those cases.

While the Government states in this case that the decision will cause difficulty in the enforcement of the mail fraud statute, the importance of the question involved does not appear beyond that statement. This case involves, not the usual enforcement of the mail fraud statute, but an attempt on the part of the Government to enlarge its scope tremendously. So far as we are able to ascertain, this is the first attempt on its part to seek to dissolve a substantial religious sect by charging that its leaders were not teaching in good faith. Undoubtedly, the framers of the statute never had in mind the use of the statute to test the sincerity of new religious sects. To say that an important question of law is involved, because a deci-

sion of the Circuit Court may make such a prosecution more difficult for the Government, is not equivalent to a showing that an important question of law is involved. We submit that the discretion of this court in granting or denying the writ should be exercised on behalf of freedom of religion rather than for the purpose of enlarging the scope of the activities of the Government in the use of the mail fraud statute in connection with prosecution of religious organizations. The Government complains that this case may degenerate into a heresy trial. We submit that as a practical matter this case and every other case of its nature which the Government may attempt will be a heresy trial irrespective of what rules may be attempted to be formulated for it. The record in this case shows that, notwithstanding the statement of the trial court that the I AM religion was not involved, the *modus operandi* of the prosecution was to introduce the teachings of these people and then hold them up to ridicule and abuse before a jury of contrary belief. R. pp. 1155, 1160, 1540, 1503, 1237, 1213, 1247.]

However, aside from the question of the importance of any question now presented by the Government in this case, the opinion of the Circuit Court is consistent, contrary to the contention of the Government. The opinion of the court holds that if the Government bases an indictment on a scheme to make certain fraudulent representations, it must prove some at least of the representations to have been false. The Government petitioned for a rehearing and then put forth for the first time the theory that a person's belief can constitute a representation, and that the representations charged were of mental condition and not of other fact. The contention could have been

ignored by the justices. However, Justice Denman, in the order denying a rehearing, took occasion to point out, in effect, that, assuming the new contention of the Government to be correct, a denial of an investigation into the truth or falsity of the facts would be error because it would exclude evidence strongly tending "to support an honest belief that they happened." He states: *"The error is as prejudicial to the issue of honest belief as to the issue of purposeful misrepresentation."* No inconsistency exists in holding that an instruction which directs a jury to disregard the occurrence of a fact is prejudicial under the indictment, whether you construe the indictment as alleging a fraudulent representation of that fact or as alleging a fraudulent belief in the occurrence of that fact.

The balance of the opinion on denial of re-hearing points out that if the denial of the pertinency of such evidence was based upon the fact that in the ordinary chain of events the matters involved do not occur, then denial on such ground would be violative of the constitutional guarantee of freedom of religion because it would deny to the religious the right to believe and show that supernatural intervention has occurred. We submit that no inconsistency exists, as alleged.

F. The Decision of the Circuit Court of Appeals Does Not Overlook the Principle Stated in Seven Cases vs. The United States.

The contention of the Government is based upon the proposition that the indictment alleges misrepresentations of belief rather than misrepresentations of other facts unconnected with a state of mind. With the contention in mind, we wish to refer to the indictment to ascertain

whether that is in fact true in respect to the representations therein set forth. It is alleged that the defendants schemed that they would "falsely and fraudulently represent to the persons intended to be defrauded, in substance and fact, among other things, as follows" [R. p. 8]:

(a) That Guy W. Ballard had attained a supernatural state of immortality; [R. p. 8]

(b) That he had been selected and designated as a divine messenger; [R. p. 8]

(c) That he, Edna Ballard and Donald Ballard had been selected as divine messengers through whom the ascended masters would communicate; [R. p. 9]

(d) That they were the only ones through whom the spiritual teachings of St. Germain and other ascended masters would be given to the world; [R. p. 10]

(e) That Guy W. Ballard and Edna W. Ballard and Donald Ballard had, by reason of supernatural attainments, power to heal ailments; [R. 12]

(f) That they had divine and supernatural ability to bring forth money, riches and other material needs; [R. p. 13]

(g) That certain magazines and musical compositions were divinely inspired; [R. p. 15]

(h) That the purchase of certain charts would bestow blessings and rewards upon the purchasers; [R. p. 17]

(i) That the followers of the movement, by following its principles and precepts, would, prior to death, achieve the "ability to make their actual physical ascension in their physical, tangible bodies, and would, in fact, ascend and not die."

It is readily observed that the charge is not that the defendants represented that they believed in the foregoing things. The indictment charges that the foregoing representations are not true. It is claimed that because the indictment also contains an allegation to the effect that the defendants well knew the falsity of the representations (Footnote 8, p. 22, of Petition), that the representation is turned into one of belief; however, it seems quite apparent that the portion of the indictment quoted in the petition merely alleges knowledge of the falsity, and goes to the issue of fraudulent intent. It does not, in anywise, alter the allegation that the representations were of fact and that the Government charged that the facts represented were untrue. It now is contended that to require the Government to prove them untrue will transform the trial into a heresy trial. It is not an answer to the contention that certain proof required by law is absent, that to require such proof will transform the trial into a heresy trial. The Government cannot commence what constitutes a heresy trial and then avoid proof by pointing to its repugnance to the American Constitution. The fact remains the allegation that one following certain principles will physically ascend and not die, is a representation of fact. It was the Government (now complaining) which formulated the indictment. If it does not have information as to the facts concerning ascension and immortality, it should not have formulated an indictment requiring it to make such proof.

We do not question that a state of mind may of itself be a fact which may be false and fraudulent, but the opinion of the Circuit Court of Appeals does not overlook that principle, nor is it inconsistent with the case of

Seven Cases v. United States, as claimed. That case involved the validity of the Pure Food Law in so far as it related to labelling. It was contended that the statute, in so far as it forbade labels on articles containing statements regarding their curative effects which were false and fraudulent was uncertain and consequently invalid. The statute was attacked on the ground that it entered the domain of speculation and, therefore, violated the "due process" clause. It was contended that an "owner has the right to give his view regarding the effect of his drugs." It was in regard to this contention that the court stated "state of mind is itself a fact, and may be a material fact, and false and fraudulent representations may be made about it." In other words, the statement of the court has reference to a situation where one states his opinions, not one where representations of other facts are made. Somewhat the same situation prevails in the *Knickerbocker Merchandising Co. v. U. S.*, 13 F. (2d) 544. That case merely holds that where one makes a promise, the promise is of a fraudulent nature if, when made, the person had no intention to perform. Both differ from the case at bar because here the Government alleged that certain facts did not exist and the representations alleged in the indictment to have been made are not as to a defendant's state of mind, his views, or opinion.

It is respectfully submitted that the petition for a writ of certiorari should be denied.

ROLAND RICH WOOLLEY,
JOSEPH F. RANK,
RALPH C. CURREN,
Attorneys for the Respondent.

APPENDIX.

"1937 Radio Broadcast No. 1.

"THE MIGHTY 'I AM PRESENCE'"

"The Cosmic Moment has struck, Beloved Ones of America, when the Ascended Masters call you to Victory and Freedom in the Light.

"Dear Ones, in this series of ten broadcasts, as I give you the ASCENDED MASTERS' INSTRUCTION on the 'Mighty I Am Presence,' which is the LAW OF LIFE, energy and vibration, you may wonder by what authority I give you this Mighty Knowledge, Mr. Ballard and I were chosen to be the Messengers of the Ascended Master, Saint Germain, because He has prepared us to render this service at this time.

"For more than thirty years, we both earnestly sought for the Truth of Life, knowing that there must be some underlying Law, which if found, would give us the Freedom we craved. The answer to our quest came in 1930, right here in your own glorious America, on the side of Mount Shasta, when Saint Germain, Who is One of the Great Ascended Masters, came forth to Mr. Ballard and made it possible for him to have the transcendent illuminating experiences which Mr. Ballard has recorded in his book, UNVEILED MYSTERIES, written under the pen name of Godfré Ray King. A few months later, in the beautiful Wyoming Rockies and the Grand Teton of Teton National Park, Mr. Ballard was shown and taught the marvels which he has recorded in his book, THE MAGIC PRESENCE.

"He was chosen by Saint Germain, because of previous association and preparation, to have and record these experiences, that the people of America and the world might know and comprehend the Great unknown and unacknowledged Assistance which is now being given to mankind by Himself and the other Ascended Masters, in the face of seeming distress and disorder in the outer world. Through this Understanding, the Great Ascended Masters are trying to arouse the people of America to make conscious determined effort to neutralize the destructive forces that mankind has generated.

"If you wish to know upon what a magnificent plan the destiny of America is founded, and the benefits derived from a conscious understanding of the Ascended Masters' Law of Life, we point you to these two truly transcendent books—UNVEILED MYSTERIES and THE MAGIC PRESENCE. As explained in the Foreword, the exact names, locations, records and treasures, including dates, are withheld intentionally, at the command of Saint Germain, for reasons that are obvious.

"At the close of these experiences, Mr. Ballard returned to our home in Chicago where further explanation of this Mighty Law of Life—the 'Mighty I AM Presence'—was given to us by Saint Germain in person. In a series of seventy-three Discourses, He dictated the Ascended Master Instruction on the use of the Great Creative Word 'I AM,' and the 'Mighty I AM Presence' which is GOD IN ACTION.

"This Knowledge given to us was and is so sacred, so transcendent and so practical that Mr. Ballard, our son, Donald and I are devoting every moment of our lives to the giving of this Work to the people of America.

We ask you not to believe a word we tell you, but to PROVE THE TRUTH OF EVERY WORD WE SAY. During the past two and one-half years, we have stood before more than 225,000 people throughout most of the large cities of the United States of America and given forth this Instruction. We shall continue to do so, until all mankind is set free in the Knowledge of the 'Mighty I AM PRESENCE.'

"Tonight, let us turn our attention to the Understanding of this MIGHTY PRESENCE, the INDIVIDUALIZED GOD-SELF of EVERY HUMAN BEING.

"Down through the ages, mankind has thought of God as being everything from a kindly old gentleman sitting on a golden throne, to a great abstract principle or impersonal force working blindly and heartlessly throughout the world. We bring to you, dear ones, the Perfect logical, acceptable, heart-satisfying ETERNAL LAW AND TRUTH OF LIFE, THE TRUE EXPLANATION OF GOD, AS GIVEN US BY SAINT GERMAIN, JESUS AND THE OTHER ASCENDED MASTERS.

"From out the Heart Center of Infinity comes forth the Individualized Presence of God, clothed in a body of Pure Light Substance. This Electronic Body abides immediately above every human being on earth and pours down into the human form, the Life, the Light, the Substance and Energy that enables the physical body to move, breathe and have Self-Conscious Life. This Individualized Focus of the Great Supreme Source of all Life, is the 'Mighty I AM Presence.' This is the GOD-SELF of every man. In this way, God—Life—governs the Universe by the Individualization of Itself, which every human being is in Reality.

"The withdrawing of this Presence of — the Life energy—from the human form is what we know in the outer physical world as death. The eyes and ears of the body after so-called death, may remain in perfect form, yet the body can neither hear nor see; because the Great Stream of Energy which flows down from the Presence and allows the body to see, hear and move about, has withdrawn. This is what Jesus referred to when He said: 'Of Myself, I can do nothing. It is the Father within that doeth the works,' for He recognized and knew that Great Presence of God, the 'I AM,' and to It gave all acknowledgment in all accomplishment.

"The 'Mighty I AM Presence' of every individual, no matter what the worldly estate, is Almighty, Limitless Intelligence focused and dwelling in an Electronic Body of Blazing Pure Substance and Energy. This is the man referred to in the Bible, who is made in the Image and Likeness of God. It would have been a sad looking God, indeed, if the human form of man was what had been referred to as God's Image; but now we KNOW that It is this Blazing God-Presence, dwelling immediately above every human form in full Perfection which is the Divine man.

"This Blazing Beautiful Presence is the GUARDIAN ANGEL, spoken of down through the centuries. Many individuals have gazed upon their own 'Mighty I AM Presence' and thought they were seeing a Glorious Being sent from God. This Individualized God-Self projects the Attributes of Itself down into the substance of the physical world, creates a body and operates it through the physical senses. It loans the physical body the use of certain attributes and endows it with an intellectual and

Heart Consciousness, through which the God-Self should be allowed to expand Its Light and Perfection and which It always does, unless interfered with by discordant feeling.

"If you doubt that this Great God Presence stands willing and ready to fulfill every constructive wish of your heart, the Ascended Masters say to you: 'If you will call your Presence into action three times daily—earnestly—for five minutes, keeping your feelings harmonious, inside of ten days you would have the evidence in your own experience so strong that nothing could turn you aside.' Say to your Great God Presence WHICH IS ABOVE YOU: '"Mighty I AM Presence"! release into my world as Your Glad Free Gift of Love, this constructive thing which I so earnestly desire.' Do this three times a day for ten consecutive days with deep feeling, keeping yourself harmonized and the sure and certain answer to this call will be all the proof you will need, to know that what we tell you is the Eternal Truth—the LAW OF LIFE.

"The beautiful colored picture of this 'Mighty I AM Presence' appeared in the February Issue of this magazine. Through the use of this eye picture of the PRESENCE, you can more quickly comprehend It, and release Its Mighty Power in Its Fulness through your body to heal, bless and release Its Perfection out into your world and to all you contact.

"You may ask: 'If each human form has a Perfect God Presence pouring into it God's own Perfect Substance, why is not the human being the out-picturing of this full Perfection?'

"Here Blessed Ones, is the most illuminating Understanding of the LAW OF LIFE ever given to mankind.

That Perfect substance and energy from the Presence, as It flows into the body of the individual, would remain Pure and Perfect and always out-picture Perfection; if it were not for the requalification, through discordant feeling an inharmony, with which the individual clothes his God-given Energy. Our work as Messengers of Saint Germain, is to show you Blessed Ones, how you can, through harmonizing your feelings and recognizing this Pure God Energy, allow It to sweep into your bodies, in Its original pure state and full Power, to cleanse and purify your worlds of everything undesirable. When you learn to do this, you will be fulfilling the commands which Jesus gave: 'BE YE PERFECT, EVEN AS YOUR FATHER IN HEAVEN IS PERFECT. YE ARE GODS, THE THINGS I DO SHALL YE DO ALSO AND GREATER THINGS THAN THESE SHALL YE DO.'

"During the coming week, we shall give to you the practical application and use of this MIGHTY LAW OF LIFE.

"Each evening as we close, we invite you to join us in a powerful loving decree for the blessing and perfecting of yourselves, your homes, America and the world. Tonight, we say: 'MIGHTY I AM PRESENCE! AND GREAT HOST OF ASCENDED MASTERS! POUR THE FULNESS OF YOUR LIGHT AND LOVE INTO EVERY BLESSED ONE WHO HAS LISTENED TO THESE WORDS AND TO EVERYONE IN THE WORLD! AWAKEN THEM INTO

THE FULL TRUTH AND REALITY OF YOUR "MIGHTY I AM PRESENCE"! SHOW THEM THE REALITY OF YOURSELF, AS THE ONLY DIRECTING CONTROLLING PRESENCE AND POWER IN THEIR DAILY LIVES! PRODUCE PERFECTION AND HOLD YOUR DOMINION WITHIN THEM AND THEIR WORLDS FOREVER! WHAT WE DECREE FOR OURSELVES, WE COMMAND FOR ALL MANKIND, THE EARTH AND ITS ATMOSPHERE!'

"We enfold you in the Ascended Masters' Mantle of Light and Love to give you every good thing forever! and remember:

" 'The Light of God never fails'!

" 'The Light of God never fails'!

" 'The Light of God never fails'!

and 'The Mighty I AM Presence' is that Light!" ("The Voice," June, 1937, pp. 9-15, incl.)

Opinion of the United States Circuit Court of Appeal.

In the United States Circuit Court of Appeals for the Ninth Circuit.

[No. 10,059. Jun. 21, 1943.]

Edna W. Ballard and Donald Ballard, appellants, vs. United States of America, appellee.

Appeal from the District Court of the United States for the Southern District of California, Central Division.

Before Denman, Mathews and Stephens, Circuit Judges.

MATHEWS, Circuit Judge.

Edna W. Ballard, Donald Ballard, Betty Mundy, Paul Stickell, Louise Majerus and William J. Cassiere were indicted in twelve counts. They demurred to the indictment and to each count thereof on the ground that no count thereof charged an offense. The demurrer was overruled. They pleaded not guilty and were tried. In the course of the trial count 1 was dismissed. Edna W. Ballard was convicted on counts 2, 3, 5, 7, 8, 11 and 12 and acquitted on counts 4, 6, 9 and 10. Donald Ballard was convicted on counts 8, 11 and 12 and acquitted on counts 2-7, 9 and 10. Mundy, Stickell, Majerus and Cassiere were acquitted on counts 2-12. Edna W. Ballard and Donald Ballard were sentenced and have appealed.

Appellants assign as error the overruling of the demurrer. Counts 1-11 of the indictment were based on §215 of the Criminal Code, 18 U. S. C. A., §338, which provides: "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, * * * shall, for the purpose of executing such scheme or artifice or attempting so to

do, place, or cause to be placed, any letter, postal card, package, writing, circular, pamphlet, or advertisement, whether addressed to any person residing within or outside the United States, in any post office * *. * of the United States, * * * to be sent or delivered by the post office establishment of the United States, * * * or shall knowingly cause to be delivered by mail according to the direction thereon, * * * any such letter, postal card, package, writing, circular, pamphlet, or advertisement, shall be fined not more than $1,000, or imprisoned not more than five years, or both."

Counts 1-11 allege, in substance, that defendants[1] and Guy W. Ballard[2] devised a scheme to defraud and for obtaining money and property by means of false pretenses, representations and promises, and that the scheme was, in substance, that defendants and Guy W. Ballard would:

(a) Create, organize and operate a movement known as the "I Am" movement and, by means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice persons to become members and followers thereof.

(b) Form, organize, dominate and control a corporation known as the Saint Germain Foundation and arrange for the election of Donald Ballard as president, Paul Potter as vice president and Edna W. Ballard as secretary and treasurer thereof.

(c) By means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice per-

---

[1]Appellants (Edna W. Ballard and Donald Ballard), Mundy, Stickell, Majerus and Cassiere.

[2]Guy W. Ballard (husband of Edna W. Ballard and father of Donald Ballard) died before the indictment was returned.

sons to give money and property to the Saint Germain Foundation.

(d) Form, organize, dominate and control a corporation known as the Saint Germain Press and arrange for the election of Donald Ballard as president, Paul Potter as vice president and Edna W. Ballard as secretary and treasurer thereof.

(e) By means of the representations hereinafter set forth, solicit, induce, encourage, persuade and entice persons to purchase from defendants and Guy W. Ballard books, charts, pamphlets, magazines and other matter published by the Saint Germain Press.

(f) By means of the representations hereinafter set forth, sell pictures, charts, paraphernalia and other articles.

(g) Arrange for, establish and maintain branch offices, meeting rooms and reading rooms in cities and towns throughout the United States, and arrange for and conduct meetings, classes and lectures at such offices and rooms for the instruction of persons in the principles, precepts and doctrines of the "I Am" movement.

(h) Arrange for and conduct radio programs and broadcasts over radio stations in the United States for the instruction of persons in the principles, precepts and doctrines of the "I Am" movement.

(i) In such meetings, lectures and broadcasts and by means of letters, books, pamphlets and other written and printed matter, make the following representations:

(1) That Guy W. Ballard had attained a supernatural state of self-immortality, which enabled him to conquer disease, death, old age, poverty and misery.

(2) That Guy W. Ballard had been selected and designated by Saint Germain[3] as a divine messenger through whom the words of Saint Germain would be transmitted to mankind.

(3) That the Ballards,[4] by reason of their high spiritual attainments and righteous conduct, had been selected as divine messengers through whom the words of "ascended masters,"[5] including Saint Germain, would be communicated to mankind in the teachings of the "I Am" movement.

(4) That the Ballards had, by supernatural visitation, been accorded a supernatural state of self-immortality of body and had been appointed messengers of divine entities and "ascended masters," and that it was only through them that the teachings and principles of such divine entities and "ascended masters" would be transmitted to mankind.

(5) That the teachings, precepts, doctrines and principles of the "I Am" movement were the only channels through which the spiritual teachings or words of Saint Germain and other "ascended masters" would be given to the world, and that said words and teachings were essential to the salvation of mankind.

(6) That the Ballards had attained a supernatural state of self-immortality, which enabled them to be entirely free

---

[3]Saint Germain (Germanus), Bishop of Auxerre, died in the year 448. International Encyclopaedia, 2d Ed., Vol. 9, p. 670.

[4]Appellants and Guy W. Ballard.

[5]Appellants' brief states: "The Ascended Masters, in whom the 'I Am' Activity believes, are Divine Beings who exist in an intermediate sphere between God and man. The Ascended Masters are particularly devoted to the assistance of mankind in the attainment of high moral standards, harmony and eventual salvation. There are many Ascended Masters, Saint Germain being the most prominent in the 'I Am' Activity."

from ailments common to man and to conquer disease, death, old age, poverty and misery, and that they could and would transmit that supernatural state to others willing to pay therefor.

(7) That the Ballards had, by reason of supernatural attainments, the power to heal persons of ailments, diseases and injuries and the power to cure persons of diseases normally classified as curable and of diseases normally classified as incurable, and had in fact cured hundreds of persons.

(8) That the Ballards had, by reason of divine origin, acquired a great healing power, and that followers of the "I Am" movement could acquire such power, achieve perfect bodies and heal themselves of all human ailments by giving implicit obedience to the precepts, principles, teachings and doctrines of said movement.

(9) That the Ballards had a divine and supernatural ability to bring forth from a supernatural state money, riches and other things necessary to mankind and could transmit that ability to others willing to pay therefor.

(10) That books published and sold by the Ballards[6] were the result of divine visitations and dictations to them by Saint Germain and other supernatural entities, that said books contained divine instructions for the salvation of mankind, and that the Ballards actually encountered the experiences related in said books.

(11) That magazines, booklets, circulars, letters, "edicts," "decrees" and musical composition published, circulated and sold by the Ballards were divinely inspired

---

[6]Including "Unveiled Mysteries" and "The Magic Presence," both of which were written by Guy W. Ballard under the pen name of Godfre Ray King.

and dictated by supernatural entities or "ascended masters" and were a part of the medium through which salvation could be obtained.

(12) That is was solely by reason of the Ballards' teaching and their embodiment in the "I Am" movement and by reason of the Ballards' divine power and influence that the United States was saved from destruction; that, by divine inspiration, there had been accorded to the Ballards the ability to maintain the sovereignty and general welfare of the United States; and that, by reason thereof, complete obedience to their teachings, commands and decrees was absolutely necessary for the safety, welfare and sovereignty of the United States and for divine justice to be had in governmental and industrial activities.

(13) That a certain picture, reproductions of which were sold by the Ballards, was an actual picture of Saint Germain and was the result of a visitation by Saint Germain to Charles Sindelar, and that the purchase of reproductions of said picture by followers of the "I Am" movement was "desirable in their aim and hope to achieve salvation."

(14) That the purchase of certain charts, phonograph records and other articles from the Ballards by followers of the "I Am" movement would bestow upon the purchasers "great blessings and rewards in their aim to achieve salvation."

(15) That there would be, in one or more places in the United States, an actual visitation of "ascended masters" or divine entities, and that said divine entities would then and there appear in physical form before the assembled followers of the "I Am" movement.

(16) That a cataclysm or the end of the world was approaching, that there was therefore no necessity to provide for the future or to save money or other things of value, and that followers of the "I Am" movement, instead of saving their money, should give it to the Ballards.

(17) That any person who criticized or questioned the teachings of the Ballards would be denounced or punished by "ascended masters."

(18) That persons who followed the principles, doctrines and precepts of the "I Am" movement and the teachings of the Ballards would not die, but would "ascend" in their physical, tangible bodies, associate with divine entities and "ascended masters" and be able thereafter to return to earth at will, and to "reascend" if they so desired.

Counts 1-11 allege that all of the aforesaid representations were false, and that defendants and Guy W. Ballard knew they were false.

Count 1 alleges that, for the purpose of executing the scheme, defendants and Guy W. Ballard knowingly caused to be delivered by mail according to the direction thereon a check in an envelope addressed to Mrs. G. W. Ballard, Los Angeles, California. Counts 2, 5, 6 and 8 are similar to count 1, except that count 2 relates to a check in an envelope addressed to Allied Advertising Agencies, Inc., Los Angeles, California; count 5 relates to a letter in an envelope addressed to Mr. Harry N. Rogers, Los Angeles, California; count 6 relates to a letter in an envelope addressed to Mrs. Portia Terry, Sierra Madre, California, and count 8 relates to a magazine in an envelope addressed to Miss Lucille C. Seifert, Los Angeles, California.

Count 3 alleges that, for the purpose of executing the scheme, defendants and Guy W. Ballard placed and caused to be placed in the United States post office at Los Angeles, California, to be sent and delivered by the post office establishment of the United States, a check in an envelope addressed to Uptown State Bank, Chicago, Illinois. Counts 4, 7, 9, 10 and 11 are similar to count 3, except that count 4 relates to a leter in an envelope addressed to Mr. and Mrs. Arthur Bliss, Chicago, Illinois; count 7 relates to a letter in an envelope addressed to Mrs. Muriel Bliss, Chicago, Illinois; count 9 relates to a letter in an envelope addressed to Mr. G. W. Ballard, Washington, D. C.; count 10 relates to a letter in an envelope addressed to Mr. Harry N. Rogers, Los Angeles, California; and count 11 relates to a letter in an envelope addressed to Gladys Ethel Kemp, Glendale, California.

Count 12 was based on §37 of the Criminal Code, 18 U. S. C. A., §88, which provides: "If two or more persons conspire * * * to commit any offense against the United States, * *, * and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than $10,000, or imprisoned not more than two years, or both." Count 12 alleges that defendants and Guy W. Ballard conspired to commit the offenses charged in counts 1-11 and did certain acts[7] to effect the object of the conspiracy. We conclude that counts 1-11 charge offenses under §215 of the Criminal Code; that count 12 charges an offense under §37 of the Criminal Code; and that, as to each and all of said counts, the demurrer was properly overruled.

---

[7]Fourteen overt acts are alleged.

Appellants assign as error the admission of testimony concerning the cost per copy of publishing "Unveiled Mysteries" and the price per copy received by the Ballards for "Unveiled Mysteries" and "The Magic Presence;"[8] testimony concerning the gross and net amounts received from a class conducted by the Ballards at Philadelphia in 1934; a statement (exhibit 99) showing amounts received for books, charts and pictures sold by the Ballards between April 4, 1935, and September 1, 1935; a statement (exhibit 142) showing amounts received for books, charts, pictures, magazines and other articles sold by the Ballards and amounts received by them as "love gifts" between December 23, 1938, and December 31, 1938; a statement (exhibit 143) showing amounts received by the Ballards as "love gifts" between October 23, 1939, and December 4, 1939; testimony concerning amounts expended by the Ballards for radio advertising; and testimony concerning the number of radio stations over which "transcriptions" made by the Ballards were broadcast.

This evidence was objected to on the ground that it was immaterial. The objection was not well founded. To prove the offenses charged in counts 1-11, it was necessary to prove the scheme described in counts 1-11. A part of the scheme described in counts 1-11 was that defendants and Guy W. Ballard would obtain money in the manner and by the means described in counts 1-11. See paragraphs (a) to (i), *supra*. The testimony and exhibits mentioned above tended to prove that part of the scheme and hence were material.

Appellants assign as error the admission of photostatic copies (exhibit 203) of letters written by Guy W. Ballard

---

[8]See footnote 6.

to Edna W. Ballard in August, September and October, 1930. The letters were put in evidence by appellants at a previous trial and (after copies had been made) were, by order of the court, returned to Edna W. Ballard. The copies were not objected to because they were copies, nor was their materiality questioned. Objections to their admission were that "the use thereof violated Articles 4, 5 and 6 of the Constitution;"[9] that "the letters were not voluntarily produced; but involuntarily, by reason of the necessity of rebutting the erroneous position that the Government took at the former trial;"[10] that the letters "had been produced at the former trial and were not in possession of the Government by reason of physical or moral compulsion;" and that such compulsion "amounted to a violation of the Constitution against unlawful search and seizure."[11] None of these objections was well founded. The letters were voluntarily produced and put in evidence by appellants. There was no compulsion, no search or seizure, no violation of the Constitution. Cf. Perlman v. United States, 247 U. S. 7, 13-15; Lisansky v. United States, 4 Cir., 31 F. 2d 846, 850; Schauble v. United States, 8 Cir., 40 F. 2d 363, 365.

Appellants assign as error the following statement by the court to the jury:[12] "Now, gentlemen, here is the issue in this case: First, the defendants in this case made

---

[9]Meaning probably the Fourth, Fifth and Sixth Amendments.

[10]"Unveiled Mysteries" purports to have been written at Mount Shasta, California in August, September and October, 1930. The Government contended at the former trial that Guy W. Ballard, author of "Unveiled Mysteries," was not at Mount Shasta in either of those months. To show that he was there, appellants put in evidence the above mentioned letters.

[11]Meaning probably the Fourth Amendment.

[12]The statement was made before the Government had finished putting in its case. Why it was made the record does not show.

certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence * * * or shaking hands with Jesus.[13] To some people that might seem highly improbable. I point that out as one of the many statements. Whether that is true or not is not the concern of this court and is not the concern of the jury * * *. As far as this court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They [the jury] are not going to be permitted to speculate on the actuality of the happening of those incidents. * * * The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. * * * If these defendants did not believe those things, [if] they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated,[14] did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty."

---

[13]There was evidence that the Ballards represented that certain works published and sold by them were dictated by Jesus. There was evidence that Edna W. Ballard represented that she and the other Ballards had shaken hands with Jesus.

[14]There was evidence that the Ballards represented that certain works published and sold by them were dictated by Saint Germain.

That was not a correct statement of the issues. The issues were (1) whether defendants and Guy W. Ballard devised the scheme described in counts 1-11; (2) whether, for the purpose of executing the scheme, they used the mails in the manner described in counts 1-11; (3) whether they conspired to commit any of the offenses charged in counts 1-11; and (4) whether, to effect the object of the conspiracy, any party thereto committed any of the overt acts charged in count 12.

A part of the scheme described in counts 1-11 was that defendants and Guy W. Ballard would make false representations, namely, the allegedly false representations set forth in paragraphs (1) to (18), *supra*. Hence, to prove that defendants and Guy W. Ballard devised the scheme described in counts 1-11, it was necessary to prove that they schemed to make some, at least, of the representations set forth in paragraphs (1) to (18),[15] and that some, at least, of the representations which they schemed to make were false.

There was substantial evidence that defendants and Guy W. Ballard schemed to make some, if not all, of the representations set forth in paragraphs (1) to (18), and that some, if not all, of the representations which they schemed to make were false. Whether such representations were false or true was a question which should have been sub-

---

[15]It was not necessary to prove that they schemed to make all of the representations set forth in paragraphs (1) to (18). Lewis v. United States, 9 Cir., 38 F. 2d 406, 410; Levine v. United States, 9 Cir., 79 F 2d 364, 369.

mitted to the jury. Instead of submitting it, the court, by its above quoted statement, excluded that question from the jury's consideration. This was error. The error was not cured by the charge subsequently given the jury. Instead, the above quoted statement was, in substance and effect, repeated in the charge.

Judgment reversed and case remanded with directions to grant appellants a new trial.

STEPHENS, Circuit Judge, dissenting:

The language of the trial judge in regard to the issue of the case as quoted in the majority opinion was not intended as an instruction upon the ultimate issues and could not have been so understood by the jurors. The instructions as a whole, it seems to me, compel this conclusion. I am not convinced that the judge's comments and instructions upon the decisive point of the majority opinion were not more favorable to the defendants than the law required.

(Endorsed): Opinion and Dissenting Opinion. Filed Jun. 21, 1943. Paul P. O'Brien, Clerk.

Opinion of the United States Circuit Court of Appeal.

In the United States Circuit Court of Appeals for the Ninth Circuit.

[No. 10,059. Sep. 29, 1943.]

Edna W. Ballard and Donald Ballard, appellants, vs. United States of America, appellee.

Before: Denman, Mathews and Stephens, Circuit Judges.

The petition for rehearing is denied.

WILLIAM DENMAN,
United States Circuit Judge.

CLIFTON MATHEWS,
United States Circuit Judge.

STEPHENS, Circuit Judge, dissents.

(Endorsed): Order denying petition for rehearing Filed Sept. 29, 1943. Paul P. O'Brien, Clerk.

DENMAN, Circuit Judge, concurring in the denial of the petition for rehearing:

Our opinion holds that the district court erred in excluding facts tending to show the truth of appellants' *"representations"* concerning certain transactions in which Jesus was present and participating.

The petition for rehearing contends that there is another issue before the jury, *i. e.*, whether appellants honestly *"believed"* their representations that certain works

published and sold were dictated by Jesus and whether Mrs. Ballard *believed* her representations that she and other Ballards had shaken hands with Jesus. The petition cites the district court's instruction:

> "The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted * * *."

It would be strong evidence in support of this issue of the mental condition of *belief*, that these transactions with Jesus actually occurred in their presence. The right to produce such evidence was denied appellants.

Before the close of the Government's case the district court made its ruling advising the jury that "whether that [dictation by Jesus and shaking hands with Jesus] occurred is not the concern of the court and is not the concern of the jury * * *. They [the jury] are not going to be permitted to speculate on the actuality of the happenings of these incidents."

This was followed by the court's instruction in submitting the case to the jury:

> "The defendants in this case made certain representations of beliefs in a divinity and in a supernatural power. Some of the teachings or representations of the defendants might seem extremely improbable to a great many people—for instance: the appearance of Jesus to dictate some of the works which have been introduced in evidence; the incident testified to by one of the defendants, Mrs. G. W. Ballard, that she shook hands with Jesus * * * these and other similar representations and statements might seem highly improbable to many people. Whether these incidents actually happened or not is for your consideration."

Here we have not only the exclusion of proof and the instruction to disregard facts which would strongly tend to support an honest belief that they happened, but the suggestion of their improbability. The error is as prejudicial to the issue of honest belief as to the issue of purposeful misrepresentation.

The petition's contention that the judgment of conviction should stand because there is other strong evidence of guilt has no merit. If on a new trial, the jury should be persuaded to believe that these miraculous events had occurred, they well may acquit these appellants. The district court did not give its reason for its ruling and instruction. If the reason be because such facts could occur in no possible chain of natural material causation, it is a denial to the religious of the right to prove one of the bases of their belief in the intervention of the supernatural in the daily lives of human beings—an obvious denial of the freedom of religion of the First Amendment of the Constitution.

(Endorsed): Opinion of Denman concurring in denial of petition for rehearing. Filed September 29, 1943. Paul P. O'Brien, Clerk.

FILE COPY

IN THE

Supreme Court of the United States

October Term, 1943

No. 472.

THE UNITED STATES OF AMERICA,
Petitioner,

vs.

EDNA W. BALLARD and DONALD BALLARD,
Respondents.

On Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit.

BRIEF FOR THE RESPONDENTS.

ROLAND RICH WOOLLEY,
JOSEPH F. RANK,
RALPH C. CURREN,
915 Transamerica Building, Los Angeles,
Attorneys for Respondents.

Parker & Company, Law Printers, Los Angeles. Phone TR. 5206.

SUBJECT INDEX.

PAGE

Statement of the case and facts disclosing basis of jurisdiction.... 1

Argument I. The erroneous instruction did not correctly state the issues 8

Argument II. The record does not show the erroneous instruction was solicited by defendants' counsel..... 12

A. Objection to the erroneous instruction was in fact raised in the court below..... 14

Argument III. Defendants were entitled to be tried under the indictment as found by the grand jury and an indictment which does not abridge their constitutional rights..... 21

A. There is no merit in the contention that the judgment should be affirmed on the assumption that all issues of false and fraudulent representations were not withdrawn from the jury..... 21

B. The representations all related to religious matters, and the attempted distinction between representations of fact and representations concerning religious concepts does not exist 23

C The indictment does not charge misrepresentation of belief, as maintained by the Government..... 25

D. Under either interpretation of the indictment the constitutional rights of the defendants would be abridged..... 31

E. The indictment against the defendants alleged a scheme to defraud by making certain misrepresentations..... 33

PAGE

Argument IV. The evidence completely fails to support the allegations of the indictment by evidence of a substantial character 37

(1) Immortality 46

(2) Divine appointment and selection 53

(3) Teachings conducive to attainment of eventual salvation 57

(4) Books, magazines, literature and other articles and paraphernalia conducive to eventual salvation 60

(5) Healing 71

(6) Precipitation 78

(7) Catacylsms 82

(8) Divine inspiration as to Saint Germain's picture 87

(9) Promise of appearance of Ascended Masters 90

(10) Forbiddance of criticism 93

(11) Promise of ascension 95

Argument V. Improper argument and remarks of counsel would require a reversal of the judgment of the trial court 112

Appendix:

1937 Radio Broadcast No. 1 ..... App. p. 1

TABLE OF AUTHORITIES CITED.

CASES.	PAGE
Aetna Life Ins. Co. v. Kelly, 70 F. (2d) 589	113
Associated Press v. National Labor Relations Board, 301 U. S. 103, at 141, 81 L. Ed. 953	40
Bain, Ex parte, 121 U. S. 1, 30 L. Ed. 849, 7 S. Ct. 781	16
Beck v. United States, 33 F. (2d) 107	123
Benn v. United States (Ninth Cir.), 21 F. (2d) 962	111
Berger v. United States, 295 U. S. 78, 79 L. Ed. 13, 14 S. Ct. 629	114, 126, 127
Brown v. United States, 146 Fed. 219	34
Cantwell v. State of Connecticut, 310 U. S. 295, at 310, 84 L. Ed. 1213	32, 39
Chicago etc. v. Kelly, 74 F. (2d) 31	113
Cline v. State, 9 Okla. Cr. 40, 130 Pac. 510	38
Cohen v. United States, 50 F. (2d) 819	10
Corvello v. Baumstuger, 115 Cal. App. 194, 1 Pac. (2d) 484	8
Crane v. United States, 259 Fed. 480	18, 41
Dart, Ex parte, 172 Cal. 47, 155 Pac. 63	38
Dodge v. United States (2d Cir.), 258 Fed. 300, cert. denied, 250 U. S. 660, 63 L. Ed. 1194, 40 S. Ct. 10	17
Donahur v. United States (Eighth Cir.), 39 F. (2d) 325	111
Farmer v. United States, 223 Fed. 902	11
Farmers League and Community Telephone Assn. v. Ohio & Mississippi Valley Telephone Co., 194 Ill. App. 166	9
Franz v. United States, 62 F. (2d) 737	130
Gage v. City of Vienna, 196 Ill. App. 585	9
Garst v. United States (Fourth Cir.), 180 Fed. 339	111
Glover v. United States, 125 F. (2d) 291	35
Guardallibini v. United States, 128 F. (2d) 984	11
Haas v. United States, 93 F. (2d) 427	18, 29, 34
Hart v. United State (Third Cir.), 84 Fed. 799	111

PAGE

Havener v. United States, 49 F. (2d) 196 29
Johnson v. United States, 318 U. S. 189 14
Jones v. City of Opelika, 86 L. Ed. Adv. Op. 1174 ..... 37, 41, 99
Kasson v. United States, 87 F. (2d) 183 113
Knickerbocker Merchandising Co. v. United States, 13 F. (2d) 544 28
Knowlton v. Baunhover, 182 Ia. 691 38
London Guarantee v. Woelfle, 83 F. (2d) 325 ..... 112, 113, 114, 117, 122, 123
Mathews v. United States, 15 F. (2d) 139 29
Mazurosky v. United States, 100 F. (2d) 958 11
McLendon v. U. S., 2 F. (2d) 660 ..... 11, 43
Metropolitan Life Ins. Co. v. Banion, 106 F. (2d) 561 122
Minersville School District v. Gobitis, 310 U. S. 586, 84 L. Ed. 1375 40
Minker v. United States, 85 F. (2d) 427 127
New v. United States, 245 Fed. 710 ..... 18, 41
Newingham v. United States, 4 F. (2d) 490 11
New York Central R. R. Co. v. Johnson, 279 U. S. 310, 73 L. Ed. 706 ..... 113, 122
Nosowitz v. United States (Second Circuit), 282 Fed. 575 111
Pelts v. United States (2d Cir.), 54 F. (2d) 1001 43
Pharr v. United States, 48 F. (2d) 767 130
Pierce v. United States, 86 F. (2d) 949 ..... 113, 130
Post v. United States, 135 Fed. 1 41
Rouse v. Burnham, 51 F. (2d) 709 ..... 113, 117
Rude v. United States, 74 F. (2d) 673 10
Sacramento Suburban Fruit Lands v. Harry Justice Curtis, 36 F. (2d) 923 9
Savage v. United States, 270 Fed. 14 34
Stewart v. United States (9th Cir.), 12 F. (2d) 524 17

PAGE

Stutz v. United States, 47 F. (2d) 1029 9
Sunderland v. United States, 19 F. (2d) 202 130
Turk v. United States, 20 F. (2d) 129 124
Union Elec. Light etc. v. Schneider Est., 65 F. (2d) 297 113
United States v. Buckner, 108 F. (2d) 921 35
United States v. Corlin, 44 Fed. Supp. 940 10
United States v. Groves, 122 F. (2d) 87 35
United States v. Hess, 124 U. S. 483 34
United States v. Mannic, 104 F. (2d) 575 10
United States v. Norris, 281 U. S. 619, 74 L. Ed. 1076, 50 S. Ct. 424 17
United States v. Schwimmer, 279 U. S. 644, at 654-5, 73 L. Ed. 889 40
United States v. Socony Vacuum Oil, 310 U. S. 150 126
United States v. Sprengel, 103 F. (2d) 876 124
Viereck v. United States, 318 U. S. 236 ..... 130, 135
Volkmor v. United States, 13 F. (2d) 594 ..... 113, 114, 117, 130
Watson v. Jones, 80 U. S. 679, 20 L. Ed. 666 ..... 31, 38
Weiss v. United States, 122 F. (2d) 675 11
West v. United States (Tenth Cir.), 68 F. (2d) 96 ..... 29, 111
Worthington v. United States, 64 F. (2d) 936 10

HOLY BIBLE.

Amos 3:7 54
I. Corinthians 12 78
Exodus 17:5-17 78
Genesis 5:5 53
Genesis 5:22 54
Genesis 6 54
Isaiah 2 and 24 83
James 5:7-8 92

PAGE

Jeremiah 1:5 54
John 12:49-50 54
John 14:12 80
Leviticus, Chap. 27, Verse 32 101
Malachi, Book of, 4:1-5 83
Malachi, Chap. 3, Verse 9 101
Mark 16:15-18 55
Mark 16:16 59
Mark 16:18 77
Matthew 16:28 53
Matthew 24 83
Matthew 27:42 117
Methuselah—969 (Genesis 5:27) 53
Moses—120 (Deut. 34:7) 53
Psalm 106:9-11 78

TEXTBOOKS.

Phelan's "New Handbook of All Denominations," p. 290 48
Time Magazine—August 3, 1942 101

IN THE

Supreme Court of the United States

October Term, 1943

No. 472.

THE UNITED STATES OF AMERICA,

Petitioner,

vs.

EDNA W. BALLARD and DONALD BALLARD.

On Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit.

BRIEF FOR THE RESPONDENTS.

Statement of the Case and Facts Disclosing Basis of Jurisdiction.

The indictment charges that the defendants, together with Guy W. Ballard, now deceased, and divers other persons, between the early part of 1930 and the date of the filing of the indictment, did devise a scheme and artifice to defraud by means of false and fraudulent representations. The general allegations of scheme and plan are alleged in paragraphs (a) to (i), inclusive. Subdivisions 1 to 20 of paragraph (i) set forth the particulars of the alleged misrepresentations. Thereafter are set forth the mail fraud Counts I to XII.

The defendants are all members and leaders of the "I AM" Activity, a religious organization which was founded in about the year 1932, upon teachings received by the now deceased Guy W. Ballard, husband of the defendant Edna W. Ballard, through revelations from Ascended Masters, particularly from one of the Ascended Masters, Saint Germain. Mr. Ballard received these revelations commencing in the latter part of 1930 and until shortly before his death, in December of 1939. These teachings were disseminated through classes held by Mr. Ballard and other defendants, through the formation of groups of students and by the distribution of books and magazines.

The members and students of the "I AM" Activity are chiefly found in the United States, but the Activity has groups in Canada and in several foreign countries. No actual lists or membership records are kept of the students and followers, but it is estimated that the number is, at the very least, 300,000 and may be many times that number.

The first book containing the teachings of the "I AM" Activity was "Unveiled Mysteries", following the publication of which, meetings were held and lectures given by the Ballards in and about Chicago. Later, at the suggestion of one of the followers, a Mr. Sieber, the Ballards held classes in other cities and groups of students in various cities were formed.

As a result of these classes and the dissemination of the teachings through the books, a large number of persons having become interested in the teachings, groups, reading rooms and sanctuaries were established in practically every large city of the United States and in a great

number of the smaller ones. At the present time there are hundreds of these groups maintaing reading rooms and sanctuaries.

In the reading rooms of the Activity the literature which contains the basis for the teachings is maintained and may be read by anyone who desires, without charge of any kind. The books and literature are contained not only in the reading rooms, but also in most of the large libraries of the country, including the Congressional Library. They have been published in Braille and have been placed in numerous penal and other institutions throughout the country.

The various groups are not financially accountable to the head of the organization. Their expenses are defrayed by themselves. The groups are not required to in any way contribute to the leaders of the organization. However, as to the manner of conducting the meetings, as to the subjects which shall be taught and as to the manner in which they may be taught, the groups are controlled and directed by the head of the organization. Group leaders are in charge of each group and they are appointed through the Ballards. The activities of the Movement are carried on through Saint Germain Foundation, a non-profit corporation. The books above mentioned, and other religious articles, are printed and distributed through the Saint Germain Press, the stock of which is owned by the Ballards. The Ballards are the officers of both corporations.

The Ballards are the Accredited Messengers of the Ascended Masters and with their son Donald, and others of the defendants, who are appointed messengers, conduct classes in various cities throughout the United States,

which classes are, in effect, congresses at which the Ballards and other appointed messengers teach and explain the precepts and doctrines of the "I AM" Activity. These classes are attended by group leaders, students and others who may be interested, some of the larger classes having attendance of as many as 5000.

All revelations of the Activity were, as aforesaid, received by Mr. Ballard during his lifetime, and since the death of Mr. Ballard the named defendants and many others have been engaged in expounding the teachings contained in these revelations.

Commencing in 1937, radio broadcasts have been given by the Activity, which programs expound its teachings and doctrines. These radio programs are authorized by the Ballards and are sponsored by individual groups, private persons or by the Ballards personally.

The finances of the organization are all received either through voluntary donation or love gifts from its students or from the proceeds of the books, and religious articles used in the Activity. No dues, membership fees or tithings are charged or asked for, and the individual groups are not financially responsible to or dependent upon the central organization, conducted by the Ballards.

There is a monthly magazine authorized by the "I AM" Activity which is known as "The Voice". The Activity has no financial interest in this magazine, but it is a means of release of its teachings and for the release of announcements pertaining to affairs of the Activity. This magazine is published by Charles Sindelar, a member of the Activity, and whatever profits result from its publication and sale belong to Mr. Sindelar. Mr. Sindelar has,

prior to and since the publishing of the magazine, made substantial love gifts to the Activity.

The "I AM" Activity fosters an organization of its male members, known as Minute Men, whose especial purpose is the advancement of patriotism to the United States and the defeat of all anti-American societies.

All moneys received by the Ballards, as leaders of the Activity, whether from love gifts, donations or from sales or otherwise, are in turn used by the Ballards in the advancement and expansion of the Activity. The Ballards, of course, as well as the other messengers, necessarily defray their living maintenance and overhead expenses and the expenses of traveling of themselves and staff from place to place from income of the Activity. This is necessarily so, as the Ballards, the messengers and many of the group leaders have no business pursuits and devote their entire time to the advancement of the "I AM" Activity.

One of the best statements of the fundamentals of the beliefs and teachings of the "I AM" Activity is that contained in the first radio broadcast given by Mrs. Ballard, which was reported in "The Voice", June, 1937, at pages 9 to 15 [Exhibit 26]. We have printed this broadcast in full in the Appendix to this brief [page 1], as it contains a most enlightening explanation of the Activity.

Further explanations of the beliefs of the "I AM" Activity will appear throughout the brief, so it will be unnecessary to extend the analysis of these concepts here. The Activity recognizes the existence of the Supreme Being, God, ascension with eventual immortality, a series of re-embodiments until a state of perfection is reached and a most elevating and comprehensive use and applica-

tion of the principles of faith. The Activity believes in a high code of morals, forbids the use of intoxicants, tobacco and over-indulgence in sex. It believes generally in the attainment, by each individual, of harmony and perfection. In respect to the attainment of harmony the Activity does not believe in the use of harsh colors and the use of animal flesh in diet.

The Ascended Masters, in whom the "I AM" Activity believes, are Divine Beings who exist in an intermediate sphere between God and man. The Ascended Masters are particularly devoted to the assistance of mankind in the attainment of high moral standards, harmony and eventual salvation. There are many Ascended Masters, Saint Germain being the most prominent in the "I AM" Activity. The words, "I AM" denote the existence and relationship of the God Being in or to each individual.

From the filing of the indictment through to the denial of the motion for new trial, the defendants questioned at every opportunity the sufficiency of the indictment and the sufficiency of the evidence offered in support thereof.

Midway in the presentation of the Government's case the Court instructed the jury [R. 402-404]:

> "Now, gentlemen, here is the issue in this case. First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the

appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable.

I point that out as one of the many statements.

Whether that is true or not is not the concern of this Court, and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this Court.

The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty."

This charge was repeated to the jury in the final instructions upon submission of the case. [R. 1576.]

ARGUMENT I.

The Erroneous Instruction Did Not Correctly State the Issues.

It is notable that the Government's brief wholly neglects to consider that portion of the opinion of the Circuit Court of Appeals wherein it is pointed out that the instruction involved did not constitute "a correct statement of the issues." The erroneous instruction was given twice, once in the course of the trial [R. p. 403], and again in almost identical terms, at the conclusion of the trial, when the court instructed the jury. [R. p. 1575.] *It commences with the words "here is the issue in this case," and again, states: "The issue is." It concludes with the statement that if the defendants did not believe the things they wrote and preached, but used the mails for the purpose of getting money, "the jury should find them guilty."**

The instruction is clearly a formula or binding instruction, and the giving of it was error unless there was included in it all of the issues necessary to a verdict of guilty. In fact, it was doubly erroneous in that it not only stated the basis upon which the jury should find the defendants guilty, but on two occasions used the word "issue" in the singular when several issues were involved; nor was the issue stated, one actually before the jury.

A formula instruction should show the circumstances which must concur to warrant a verdict. *Corvello v. Baumstuger*, 115 C. A. 194, 1 P. (2d) 484. If an instruction undertakes to direct a verdict if the jury finds

*Note: All italics herein are ours.

certain facts, it must necessarily contain all of the facts which will authorize the verdict directed, and it is immaterial that the court in the instruction did not undertake to instruct the jury on the whole case. *Farmers League and Community Telephone Assn. v. Ohio & Mississippi Valley Telephone Co.*, 194 Ill. App. 166. If it fails to do so, it is fatally defective and cannot be cured by other instructions. *Gage v. City of Vienna*, 196 Ill. App. 585.

An instruction is erroneous and reversible error which makes the case turn solely upon a certain fact and fails to include certain issues and to leave to the jury inferences to be drawn from the facts. *Stutz v. U. S.*, 47 F. (2d) 1029, 5th.

An instruction which states that a certain question of fact constitutes the "underlying issue" in the case is erroneous when such question of fact was not the issue at all. *Sacramento Suburban Fruit Lands v. Harry Justice Curtis*, 36 F. (2d) 923. We submit that in this case the court, in effect, informs the jury that the case turns on a certain issue of fact when there were many and also incorrectly states the one issue mentioned.

In addition to repeating this instruction in its charge to the jury, that charge contains further instructions emphasizing the error and in language equivalent to that condemned in the last-mentioned case. The court stated to the jury:

> "The question of the defendant's good faith is the *cardinal* question in this case." [R. p. 1575.]

Again,

> "The *ultimate* question of fact before you as a jury is as to the good faith of the defendants. . . .". [R. p. 1589.]

The opinion of the Circuit Court pointed out that one of the issues not covered by the instruction was whether the defendants "devised the scheme described in Counts 1-11. *The instruction itself omits entirely the necessity of proof of the devising of* a scheme, yet the devising of a scheme is an essential of the offense charged in the indictment. *Worthington v. U. S.*, 64 F. (2d) 936; *U. S. v. Mannic*, 104 F. (2d) 575; *Cohen v. U. S.*, 50 F. (2d) 819.

The defendant must knowingly devise such scheme, specific intent being required under the statute. *U. S. v. Corlin*, 44 Fed. Supp. 940.

Individual false representations unrelated to each other and not part of a scheme to defraud are insufficient to prove an offense. *Rude v. U. S.*, 74 F. (2d) 673.

Thus, contrary to the instruction, a finding of all of the facts which the court stated would warrant a verdict of guilty would not constitute proof of an offense under the mail fraud statute or any other federal law. Furthermore, the proof required by the Government is that defendants devised *the scheme laid in the indictment*. Proof of misrepresentation of facts unrelated to the alleged scheme forming the basis of the charge will not warrant a verdict of guilty. *Rude v. U. S.*, 74 F. (2d) 673.

A most cursory comparison of the instruction complained of and the indictment will show that, while the indictment charged a particular scheme, the instruction authorizes a verdict of guilty if the defendants did not believe "the things that they wrote, the things that they preached." It is for that reason we state that the one issue attempted to be stated was not an issue at all.

The second issue omitted, as pointed out in the opinion of the Circuit Court, was whether for the purpose of executing a scheme they used the mails in the manner described in the counts. The court does say that they must have used the mails "for the purpose of getting money"; but, obviously, this was not the issue. The question was whether they used the mails in the furtherance of the scheme laid in the indictment and in the manner charged in the indictment. The correspondence must have some relation to the scheme to defraud which is charged. It must be in execution of the scheme. *McLendon v. U. S.*, 2 F. (2d) 660; *Newingham v. U. S.*, 4 F. (2d) 490; *Weiss v. U. S.*, 122 F. (2d) 675.

The opinion points out that a third issue omitted was whether the defendants conspired to commit the offenses charged in Counts 1-11. It is settled that the law requires, in the case of a conspiracy, not only a combination to accomplish the scheme by concerted action, but a conspiracy to use the mails to execute the scheme, proof of which is not required in other than the conspiracy count. Proof of *intention to use the mails to* defraud is a necessary element of the offense, though not a necessary element of the substantive offense. *Guardallibini v. U. S.*, 128 F. (2d) 984; *Mazurosky v. U. S.*, 100 Fed. (2d) 958; *Farmer v. U. S.*, 223 F. 902.

In addition, the Circuit Court points out that, as a fourth issue, there was a question whether, to effect the objects of any conspiracy, a party thereto committed any of the overt acts charged in Count 12.

In each particular mentioned by the Circuit Court, the instruction given was erroneous and, entirely aside from other reasons given, warranted a reversal of the judgment.

ARGUMENT II.

The Record Does Not Show the Erroneous Instruction Was Solicited by Defendants' Counsel.

The Government claims that the instruction complained of was one asked for and approved by counsel for the defendants. While this statement is made by the Government on page 13 of its brief, however, it is notable that record citation is curiously missing. True, on page 13 of its brief, the Government refers to Record p. 1346 to the effect that there was a discussion, denominated "conference" among counsel with the court immediately preceding the giving of the instruction. It is also fair to assume that in the course of the discussion the argument over the pending objection referring to the matter of relationship of religious liberties to the proffered testimony arose. On page 13 of its brief the Government states that the court gave the instruction to the jury with the consent of counsel for both sides, and refers to pages 402, 404 of the Record, as well as again to page 1346 of the Record. A careful examination of these portions of the Record wholly fails to substantiate the statement of the Government. The Government realizes that, because, lo and behold, after citing the Record above, it appends a footnote at the bottom of page 13 referring, not to the Record, but, to what is apparently the typewritten transcript of the trial proceedings. Surely the Government knows that this is not part of the Record, and under what authority it presumes to insert this footnote is not made clear. Again, it is indicated that the Government realizes its deficiency, because next it seeks to draw some support from the Record, at pages 502, 1125 and 1126, to the effect that this instruction was relied upon throughout the

trial by defense counsel. How this can be construed as being tantamount to a request for the original giving of the instruction is difficult to see. Defense counsel found themselves in the position of having to try the case under certain rulings made by the trial court. They were bound by those rulings in the presentation of evidence, as was the Government, and all that appears on page 502 of the Record is that defense counsel called attention to the ruling of the court now under discussion when a question was asked by the Government inconsistent with the prior ruling of the court. Likewise, at pages 1125 and 1126 of the Record, counsel for the defendants, in guiding its presentation of the defense evidence stated that it had in mind the ruling of the court as to the issue as defined in the instruction. This again shows merely that defense counsel were respecting the ruling made by the court on the issue. Next, on page 16 of its brief, the Government says that defense counsel in argument referred to this ruling of the court. There is no doubt that this statement is true; but what effect does it have, except to show that, naturally and properly, defense counsel were limited by the decision of the court as to the issue as given in this instruction?

Thus, we see that the Government does not establish from the Record the premise of its argument in this respect. As a matter of fact, the court, in giving the instruction, stated that the arguments of counsel on the particular point raised were not necessarily the comment that he, the court, was about to make in giving this instruction. [R. p. 1346.] The most that can be said is that, after the trial court made its ruling, all counsel agreed that it was proper court procedure for the court to ad-

vise the jury as to what his ruling was. This, of course, is far from constituting, as the Government now says, an instruction given at the particular request of the defendants.

(a) Objection to the Erroneous Instruction Was in Fact Raised in the Court Below.

Following the return of the verdict, motion for new trial and motion for arrest of judgment were made and presented by the defendants Edna W. Ballard and Donald Ballard. These were, after argument and the filing of memorandum of points and authorities, denied by the court. [R. pp. 1605-10, incl.]

Attorneys for the Government now contend that objection to this erroneous instruction was not made in the court below, and seek to apply to this case the rule of *Johnson v. U. S.*, 318 U. S. 189, 201, to the effect that a defendant may not pursue one course at the trial and repudiate it on appeal. Unequivocally, the attorneys for the Government assert that objection to this erroneous instruction was not made in the court below and that specifically it was not raised in the motion for new trial and the motion for arrest of judgment (p. 29). Government counsel's mistake and inadvertence in this respect is likely due to the fact that none of the counsel now presenting the present brief for the Government were associated in the trial of the case in the District Court.

One of the then attorneys for the defendants argued the motions for a new trial and for arrest of judgment, and practically the entire argument was predicated upon the contention that the erroneous instruction now complained of constituted prejudicial error and was ir-

remediable. Not only was the oral argument of counsel directed to this contention, but the memorandum of points and authorities filed in support of said motions clearly and unequivocally sets forth this contention. The grounds of the motion for a new trial were ample to support the argument of counsel in this connection. [R. 1605.] The District Judge, in denying the motions, stated that full consideration had been given to both of the said motions.

Said objection to the erroneous instruction was raised through the contention that by giving this instruction the court, in effect, amended the indictment returned by the Grand Jury, that is, removed from the indictment the material accusations of the falsity of representations, and hence the defendants were not tried upon an indictment returned by the Grand Jury.

It will be recalled, and a reference to the indictment itself will readily disclose, that the indictment charged in Paragraph "i" that the representations of the defendants relating to the existence of the Ascended Masters and their experiences with the Ascended Masters and the divine origin of the teachings and precepts of the "I AM" Activity were false and fraudulent. This, in fact, was the basic charge of the indictment, and if we remove it from the indictment, as the Court did, in effect, by this instruction, we find an entirely different indictment remaining, if, in fact, any indictment at all remains.

The defendants repeatedly attacked the indictment on the ground that the allegations thereof on their face revealed that the Government could not and would not attempt to offer proof to sustain said allegations referring to religious beliefs of the defendants, and which allegations in any event could not be legally proved. Despite all

of said motions ,it was not until the trial was partially completed that the Court finally adopted the view as expressed in said instruction. The real effect of this instruction of the Court was to adopt defendants' views and contentions that the indictment was not sufficient. However, even at this stage, the Court failed to assume its full duty, to wit, that of dismissing the indictment and stopping proceedings entirely. The Court continued to tread water, as it were, throughout the rest of the trial, and refused to dismiss the proceedings or direct a verdict of acquittal upon the conclusion of the Government's case and the case in full, even though it went to the extent of repeating the same instructions removing said issues as to verity from the jury. The Court apparently expected to be able to shunt off its responsibility in disposing of the case *in toto*, trusting that the jury would itself acquit the defendants, thus removing all further controversy. However, the jury failed to acquit the defendants, but still the trial court, although evidently disappointed, did not rise to the occasion and arrest the judgment on its own responsibility, but, in lieu thereof, apparently compromised its own convictions by endeavoring to alleviate the result through the suspension of the incarcerating penalties of the relatively light sentence that was imposed.

The law is well established, of course, that a defendant is entitled to proceed to trial upon an indictment returned in the manner provided by law by the Grand Jury. This is a guarantee of the Constitution, as set forth in Article V.

In *Ex parte Bain*, 121 U. S. 1; 30 L. Ed. 849; 7 S. Ct. 781, a defendant was convicted on an indictment returned by the Grand Jury charging him with making false

statements as cashier of a banking association with intent to deceive the comptroller of the currency and the bank examiners. The Court amended this indictment by striking therefrom the allegation of the indictment that intent had been to deceive the comptroller of the currency. The Supreme Court granted a writ of habeas corpus holding that a trial on an amended indictment is void and that the Court had no jurisdiction to proceed. The amendment came about when the Court permitted the indictment to be amended by striking the allegation as to the intent to defraud the comptroller. The theory of the Court was that such a striking did not prejudice the defendant as it was not material to the rest of the indictment. The Supreme Court held, however, that by the Constitution everyone is entitled to be tried on the indictment returned by the Grand Jury, and no court has authority to amend any part of it without reassembling the Grand Jury; that if the Court does so amend an indictment, it is deprived of the power to try the defendant on such amended indictment, and that to hold otherwise would place the rights of the citizen at the mercy of the Court or prosecuting attorney.

This principle of law is recognized in the following cases:

United States v. Norris, 281 U. S. 619, 74 L. Ed. 1076, 50 S. Ct. 424;

Dodge v. United States (2d Cir.), 258 Fed. 300, cert. denied, 250 U. S. 660, 63 L. Ed. 1194, 40 S. Ct. 10;

Stewart v. United States (9th Cir.), 12 Fed. (2d) 524.

But, irrespective of the technical effect of the charge of the Court to the jury, as constituting an amendment to the indictment, let us just consider the effect of this charge upon the case in chief. The Court, in so many words, directed the jury that neither the Court nor the jury had a right to determine whether or not the teachings of the defendants pertaining to their experiences with the Ascended Masters were true or false. In other words, the jury must assume not only that the Ascended Masters exist, but that these defendants had the experiences that are related in their teachings. That being the case, how could the defendants, in any event, have disbelieved the fact of these actual experiences?

Under the circumstances the Court was in error when it stated to the jury that they should nevertheless determine the question "Did these defendants honestly and in good faith believe these things?" If they were true, they could not be false, and, being true, there could be no misrepresentation. The representations contained in paragraph "i" may be summarized by stating that the Government alleged that the defendants did not receive the revelations they contended they received from the Ascended Masters. The indictment is that those representations were false and were known by the defendants to be false. Both of those elements had to be proved by the Government, not simply one of them. Falsity of a representation is an essential element of an indictment in respect to representations complained of.

Haas v. United States, 93 Fed. (2d) 427;
New v. United States, 245 Fed. 710-712;
Crane v. United States, 259 Fed. 480-482.

If we interpret the Court's remarks as taking from the jury the question of whether or not the representations were true or false, then the Government was excused from proving an essential element, to wit, the falsity of the representations. If we assume from the statement of the Court that the jury was to consider all of the teachings and revelations of the Ascended Masters true, then it follows the Government did not prove an essential element of the indictment, to wit, that they were false. Consequently, however you view the charge of the Court, whether as a charge that the representations were not to be gone into or as a charge that they were true, the Government could not possibly have proved a case at the conclusion of the trial.

On page 30 of its brief, the Government now contends that the respondents were not deprived of the opportunity to offer any evidence which they wished to offer; in other words, the Government say that, despite the ruling of the trial court in removing the issues of truth or falsity of representations, the defendants could have disregarded this ruling of the Court and, nevertheless, presented evidence in the trial court as to the truth of the representations which the Government had alleged to be misrepresentations. For defendants to have attempted to do so after the ruling of the Court, as expressed in the instruction given midway in the trial, would at least have been contemptuous and insolent. Moreover, it would properly have been subject to objection by the Government of the Court on its own motion on the grounds of immateriality, in view of the law of the case as enunciated by the Court. That this was the attitude of counsel for the defendants, is expressed in the statement made by Mr. Cannon upon

his conclusion of direct examination of Mrs. Ballard, when he stated as follows:

> "Now, if the court please, Your Honor has heretofore stated as the law of the case that the jury are not going to be permitted to speculate on the actualities of these incidents of the Ascended Masters of supernatural beings referred to in the literature and testified to by various persons who have taken the witness stand. You further stated, as the law of the case, that no attack can be made on whether or not these things happened and the jury are not to be allowed to pass upon the verity of those experiences with the Ascended Masters or divine beings.
>
> "Accepting those statements of the court as the law of the case, the defense has decided to ask Mrs. Ballard no further questions on direct examination. She is the admitted leader of this activity so far as the persons on trial are concerned." [R. pp. 1125, 1126.]

In the footnote 11 to page 30 of the Government's brief, it is argued that, because four codefendants were acquitted, this fact shows that the jury adjudged only the good faith of the defendants and not the verity of the doctrines asserted by them. This is a purely gratuitous assumption on the part of the Government. There is no indication in the verdict as to whether the jury followed the instruction of the Court or not, but, assuming that the jury followed the instruction of the Court and did not judge the verity of the doctrines, but only the good faith of the defendants, this merely demonstrates the importance of the error committed by the trial court in removing the pleaded accusation of falsity from the indictment.

ARGUMENT III.

Defendants Were Entitled to be Tried Under the Indictment as Found by the Grand Jury and an Indictment Which Does Not Abridge Their Constitutional Rights.

A. There Is No Merit in the Contention That the Judgment Should Be Affirmed on the Assumption That All Issues of False and Fraudulent Representations Were Not Withdrawn From the Jury.

This argument of the Government proceeds upon a theory that the Court may have submitted less than the indictment charged, but that which was submitted constituted an offense. However, this is not the situation. The entire indictment with all of the asserted misrepresentations was read to the jury, and as to each of those representations an essential element of proof was not required, to wit, proof that the representations were false. [R. 1545-1603.] It is now assumed by the Government that there were representations of fact disassociated from representations concerning religion, and that *upon those former representations the jury founded a conviction.* The Government contends, and in fact relies upon the proposition that in a trial under the mail fraud statute, all representations need not be proved to sustain a conviction. In fact, it points out that the jury was so instructed. By what reasoning the Government asserts that it was upon so-called representations of alleged fact that the jury predicated its verdict does not appear. How can the Government say that it was upon those allegations of fraudulent representation, rather than upon others?

The Government argues that the Circuit Court of Appeals found no other error in the conduct of the trial court (other than the erroneous instruction) and, further,

that "there was substantial evidence to support the verdict if the issues had been properly presented to the jury." (Government's Brief p. 20.) No such ruling is found in the decision of the Circuit Court. The decision found that there was substantial evidence that the defendants schemed to make some, if not all, of the representations set forth in paragraphs 1 to 18 of the indictment, and that some, if not all, of the representations which they schemed to make were false. The Court then said "Whether such representations were false or true was a question which should have been submitted to the jury." Obviously, the Court did not hold that there was substantial evidence to support the conviction, but merely pointed out that there was some evidence both ways as to whether or not the representations were true or false, and that being so, it was the province of the jury to make a determination in this respect. Hence, when the Government seeks to extend to this portion of the decision of the Circuit Court a holding that the conviction was supported by substantial evidence, the Government is seeking to write its viewpoint into the decision by giving a meaning to the words of the decision which is totally incompatible with its context. Neither the Government, the Circuit Court, nor anyone can determine whether the jury predicated its verdict upon what the Government asserts are allegations of fact, rather than upon alleged falsity of other representations. Therefore, assuming the distinction actually exists which the Government seeks to make between the various representations, we challenge the Government (in view of the trial court's instruction that only one misrepresentation need be proved), to point out the representation, or representations upon which the jury rested its decision. This must be done before the argument made can be considered.

B. The Representations All Related to Religious Matters, and the Attempted Distinction Between Representations of Fact and Representations Concerning Religious Concepts Does Not Exist.

The Court charged the jury by the erroneous instruction that the truth or falsity of the representations of the defendants, as pertaining to religious beliefs, experiences with the Ascended Masters, or the verity of the existence of the Ascended Masters was not in issue. The Government now seeks to distinguish between the representations, alleged in the indictment, Subdivision (i), 1 to 18, inclusive, and asserts that some were not representations dealing with or pertaining to religious matters. However, a mere reading of the representations now contended to be representations of fact shows that they were definitely within the religious category. On page 33 of Government's brief, it is stated that representations as to healings were not representations as to religious fact, but the indictment charges not that the Ballards claim that they healed, but that they claim they had the power to heal by reason of supernatural attainment. [R. pp. 12-13.] Moreover, all of the evidence shows that the representations pertaining to healing were representations to the effect that the Ascended Masters had, through dictations informed the Ballards that they had effected numerous cures; that healing came through application of the I AM teachings. Clearly, these representations were not distinguishable from other representations pertaining to the religious matters.

The Government also states in its brief that representations made by the defendants that they had actually encountered certain experiences were not of religious con-

cept, but of fact. This is patently not so. The Court, specifically, in the instruction complained of, told the jury that they were not to consider the truth or falsity of the experiences claimed by the defendants to have been had by them with the Ascended Masters. The Court further stated:

> "Whether these incidents actually happened or not is not for your consideration. The religious beliefs of these defendants are not an issue in this court and not for your consideration. The issue is: Did these defendants honestly and in good faith believe these incidents actually happened? If they did, they should be acquitted. If these defendants did not believe these incidents actually happened and did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated and did not believe the representations and statements which they wrote nor the statements and representations which they preached and used the mails for the purpose of getting money or other things of value, you shall find them guilty." [R. p. 1576.]

As to the Government's reference on page 34 of its brief to the representations as to experiences in the books particularly "The Magic Presence" we point out under argument IV, Subd. 4 (pp. 60 to 71) these experiences were of a supernatural nature and the truth or falsity thereof were withdrawn from the jury.

The Government states that the representation that records sold had salutary qualities, whereas the defendants well knew that the records were man-made, and had no ability to aid the achievement of salvation, was a representation of fact. This, again, is patently not a representation of fact as distinguished from religious con-

cepts. Moreover, the indictment alleged the false representation as being that the records "would bestow upon said purchasers great blessings and rewards in their aim to achieve salvation." [R. p. 17.] No allegation of the indictment refers to the preparation of the formula nor difficulty of such preparation upon which the Government predicates its claim that this is a representation of fact. No proof was ever offered that the defendants claimed the records were not man-made. The whole question was a religious one—whether they would give the members spiritual assistance. Thus, we can see that there is no distinction, as attempted by the Government, between so-called representations of fact and so-called representations as to matters of religious beliefs. As a result the effect of the instruction was to relieve the Government of its burden of proving that the representations *or any of them* were false.

C. The Indictment Does Not Charge Misrepresentation of Belief, as Maintained by the Government.

This contention of the Government is based upon the proposition that the indictment alleges misrepresentation of belief rather than misrepresentation of other facts unconnected with a state of mind. The two things, we submit, are quite different. For example, to charge one with falsely representing that a document is genuine is different from charging him with representing that he believed the document to be genuine. A perusal of the indictment should disclose whether the Government's contention is sound or whether in fact the allegations of the indictment charged misrepresentations of fact.

With the contention in mind, we wish to refer to the indictment to ascertain whether that is in fact true in

respect to the representations therein set forth. It is alleged that the defendants schemed that they would "falsely and fraudulently represent to the persons intended to be defrauded, in substance and fact, among other things, as follows" [R. p. 8]:

(a) That Guy W. Ballard had attained a supernatural state of immorality; [R. p. 8]

(b) That he had been selected and designated as a divine messenger; [R. p. 8]

(c) That he, Edna Ballard and Donald Ballard had been selected as divine messengers through whom the ascended masters would communicate; [R. p. 9]

(d) That they were the only ones through whom the spiritual teachings of St. Germain and other ascended masters would be given to the world; [R. p. 10]

(e) That Guy W. Ballard and Edna W. Ballard and Donald Ballard had, by reason of supernatural attainments, power to heal ailments; [R. p. 12]

(f) That they had divine and supernatural ability to bring forth money, riches and other material needs; [R. p. 13]

(g) That certain magazines and musical compositions were divinely inspired; [R. p. 15]

(h) That the purchase of certain charts would bestow blessings and rewards upon the purchasers; [R. p. 17]

(i) That the followers of the movement, by following its principles and precepts, would, prior to death, achieve the "ability to make their actual physical ascension in their physical, tangible bodies, and would, in fact, ascend and not die.' [R. p. 19.]

It is readily observed that the charge is not that the defendants represented that they believed in the foregoing things. The indictment charges that the foregoing representations are not true. It is claimed that because the indictment also contains an allegation to the effect that the defendants well knew the falsity of the representations (Footnote 8, p. 22, of Petition), that the representation is turned into one of belief; however, it seems quite apparent that the portion of the indictment quoted in the petition merely alleges knowledge of the falsity, and goes to the issue of fraudulent intent. It does not, in anywise, alter the allegation that the representations were of fact and that the Government charged that the facts represented were untrue. It now is contended that to require the Government to prove them untrue will transform the trial into a heresy trial. It is not an answer to the contention that certain proof required by law is absent, that to require such proof will transform the trial into a heresy trial. The Government cannot commence what constitutes a heresy trial and then avoid proof by pointing to its repugnance to the American Constitution. The fact remains the allegation that one following certain principles will physically ascend and not die, is a representation of fact. It was the Government (now complaining) which formulated the indictment. If it does not have information as to the facts concerning ascension and immortality, it should not have formulated an indictment requiring it to make such proof.

We do not question that a state of mind may itself be a fact which may be false and fraudulent, but the opinion of the Circuit Court of Appeals does not overlook that principle, nor is it inconsistent with the case of

Seven Cases v. United States, as claimed. That case involved the validity of the Pure Food Law in so far as it related to labelling. It was contended that the statute, in so far as it forbade labels on articles containing statements regarding their curative effects which were false and fraudulent was uncertain and consequently invalid. The statute was attacked on the ground that it entered the domain of speculation and, therefore, violated the "due process" clause. It was contended that an "owner has the right to give his view regarding the effect of his drugs." It was in regard to this contention that the court stated "state of mind is itself a fact, and may be a material fact, and false and fraudulent representations may be made about it." In other words, the statement of the court has reference to a situation where one states his opinions, not one where representations of other facts are made. Somewhat the same situation prevails in the *Knickerbocker Merchandising Co. v. U. S.,* 13 F. (2d) 544. That case merely holds that where one makes a promise, the promise is of a fraudulent nature if, when made, the person had no intention to perform. Both differ from the case at bar because here the Government alleged that certain facts did not exist and the representations alleged in the indictment to have been made are not as to a defendant's state of mind, his views, or opinion.

Thus, we see that the indictment is that defendants made certain representations which were false and which were known by the defendants to be false.

Both of those elements had to be proved by the Government, not simply one of them. While the element of knowledge may be proved by showing what is apparently accepted as its equivalent—that the statement is recklessly

made without investigation as to its truth or falsity—the falsity of the representation is an essential element of an indictment and of the proof under it. It seems never to have been questioned but that some at least of the representations charged to be false must be proved false, the only question having been whether the Government must prove that substantially all of the representations in an indictment are false. (*Mathews v. U. S.*, 15 F. (2d) 139 (8th); *Havener v. U. S.*, 49 F. (2d) 196 (10th).)

In *Hass v. U. S.*, 93 F. (2d) 427, it was questioned whether an indictment was sufficient which, while alleging the representations to be false, apparently did not allege specifically wherein they were false. The court upheld the indictment, stating that an allegation that a representation was false was a sufficient negation of its truth.

In *West v. U. S.*, 68 F. (2d) 96 (10th), a mail fraud action, where the defendants were charged with selling a compound falsely representing that it would assist in the cure of syphilis, the court instructed the jury as follows:

> "So the whole case boils down to a question of their intent or honesty of purpose in making the representations they did in those letters and in selling and distributing this so-called chloride of gold and sodium (the compound involved) as a cure for blood disease or syphilis . . . ."

It will be noted that the foregoing instruction is somewhat similar to that criticized by the Circuit Court in the case at bar, although it is not as strong because it did not, as in the case at bar, direct a verdict of guilty if the jury did not believe the remedy had efficacy. The court held that if the compound was a cure or remedy,

as represented, then no offense, as charged in the indictment, was committed by defendants, and that the burden was upon the prosecution to prove by substantial evidence that it was not a cure or remedy, before the court could submit the case to the jury. The court further held that if the representations were in fact false, even so, the defendants would not be guilty unless they knew them to be false or acted with reckless indifference as to their truth or falsity; that in submitting only this issue to the jury and assuming that the compound was not, in fact, a remedy, the court had erred as it had failed at any point in its instructions to tell the jury that if the remedy was an effective one, defendants could not be convicted. The judgment was reversed on the ground that the instructions were improper.

The law is settled that falsity of representations is an element which must be proved by the Government. The Government should not be allowed to escape this burden by claiming that to make proof is to transform the trial into a heresy trial, or that such proof would be difficult. The indictment was prepared on behalf of the Government and not by the defendants, and if the Government seeks to charge that the Ascension as taught by the I AM Activity is false and that it is not true that Ascended Masters will appear in this country, it, by the filing of such an indictment, thereupon takes upon itself the burden of showing that those things are false.

D. Under Either Interpretation of the Indictment the Constitutional Rights of the Defendants Would be Abridged.

The Government criticizes the position of Justice Denman on denial of rehearing. It claims that the opinion fails to recognize that "miraculous events should not readily be made the subject of proof," and that the principle should be adhered to "that such matters are not questions of fact to be tried in court." Without answering the logic of that position, the Government asserts, in effect, that Judge Denman's opinion divorces logic from reality. (Footnote, p. 29, Gov. Brief.) That, we submit adequately defines the Government's position. If an indictment such as the one in the case at bar, charges the falsity of religious teachings, then even the Government seems to concede that it has the burden of proving that falsity. If it charges that the defendants did not believe in the religious tenets which they taught, there is no escape from the logic of Judge Denman's opinion that defendants must be permitted to show, if they wish, the occurrence of the miraculous events as such proof bears upon the question whether or not the defendants believed. In either case, the Government finds itself in the position of attempting to overthrow certain religious dogma. This, according to the opinion of this court in *Watson v. Jones*, *supra*, 80 U. S. 679, the Government should not do.

We respectfully urge that it was never intended by the Congress of the United States when it enacted the mail fraud statute that it be used by the law enforcement agencies to whittle away religious liberty; that it

was never intended to be used to suppress and dissolve minority religious sects by means of charging either that their tenets were false, or that they did not believe what they taught or professed to believe. Perhaps in some cases this may result in excesses and abuses, but, as pointed out in the *Cantwell* case (*Cantwell v. State of Conn., supra,* 310 U. S. 295) the nation has ordained, in the light of history, that the preservation of religious liberty is worth the risks that in some instances excesses, villifications and even false statement may be tolerated. As is observed in that case, the tenets of one man may seem the rankest error to his neighbor. Consequently, as a result of the divergency in belief in this country among our peoples, it is impractical to allow those of one opinion to test the veracity of the tenets of another through direct charge of falsity or to test them indirectly by means of a charge of bad faith.

Prior to and during the trial of the action, the defendants objected that the indictment here did not state a public offense [R. pp. 64-77; 111-113] and overruling of those objections is assigned as error. [R. p. 191.] We submit that whether the indictment be interpreted as we contend it should be, or be given the construction sought by the Government, that in neither case does it state an offense within the purview of the mail fraud statute and that defendants' objective should have been sustained. To reach any other conclusion would be to sanction and countenance a violation of the First Amendment to the Constitution.

E. The Indictment Against the Defendants Alleged a Scheme to Defraud by Making Certain Misrepresentations.

It is contended by the Government that the conviction was based upon a finding of the jury that the defendants propagated a religious movement in bad faith, and that the Circuit Court adopted an erroneously narrow construction of the mail fraud statute when it held that the indictment charged a scheme to defraud by misrepresentations and required that at least some of them be proved. We do not question, and have never questioned, that an indictment can be drawn which charges a violation of the mail fraud statute, without including a charge that there existed a scheme to obtain money by false or fraudulent misrepresentations. We do maintain, however, and an inspection of the indictment shows, that it alleges the formation of a certain scheme to defraud, which scheme was to obtain money by false and fraudulent representations. [R. pp. 4, 5, 6, 8.] In most instances, direct reference is made to the 19 representations set forth specifically in the indictment and in detail at pages 9-20 of the record. [R. pp. 3 and 5.] Pages of the indictment are occupied with detailed and specific statements of the representations which the defendants allegedly schemed to make. The trial was had upon the theory that the scheme alleged was one to obtain money by means of false representations detailed in the indictment. For the first time, on the petition for rehearing in the Circuit Court of Appeals, and in petition for certiorari, the Government suggests a

new theory, to wit, that the scheme, instead of being one to obtain money by means of the representations set forth, was predicated upon a theory of fiduciaries defrauding their beneficiaries. In other words, the Government now wishes to ignore, apparently as surplusage, almost the entire indictment. It must, however, be borne in mind that it is the established rule that it is not sufficient merely to allege a scheme to defraud, but that the scheme must be stated with all such particulars as are essential to constitute the scheme or artifice and to acquaint the defendant with what he must meet on the trial. (*U. S. v. Hess*, 124 U. S. 483.) The particulars of the scheme are matters of substance and must be set forth with sufficient certainty fairly to acquaint the defendant with the charges against him. (*Savage v. U. S.*, 270 F. 14, 8th.) The scheme so alleged must be substantially the scheme proved by the Government or a conviction will be set aside. (*Hass v. U. S.*, 93 F. (2d) 427; *Brown v. U. S.*, 146 F. 219, 8th.)

In view of the foregoing rules of law, the indictment can only be interpreted as one alleging a scheme for obtaining money by making some of the numerous misrepresentations set forth in the indictment, and defendants were entitled to, and did assume it was concerning such a scheme that proof would be offered. It is not contended that the Government must prove the existence of all alleged misrepresentations. However, it is contended that, where the scheme alleged in the indictment is one to obtain money by misrepresentations, then some at least of those representations must be proved false. An inspection of the cases cited by the Government will show that they do not conflict with the foregoing statement or with

the decision of the Circuit Court of Appeals in case at bar. They represent cases where a fiduciary has defrauded a beneficiary through a breach of trust. Thus, in *U. S. v. Buckner,* 108 F. (2d) 921, Buckner, as a member of a committee of bondholders, intentionally misused the money collected to further their cause and also used his position of trust for the purpose of making a profit for himself by the use of inside information. *This was the charge which was made against him in the indictment.* In other words, he was charged under an indictment which alleged a scheme amounting to a breach of trust, and he was tried on the scheme laid in that indictment. Similarly, in *Glover v. U. S.,* 125 F. (2d) 291, the indictment charged that the defendant, a public official, devised a scheme corruptly to obtain improvements upon lands purchased and owned by him by using state funds for their improvement. In *U. S. v. Groves,* 122 F. (2d) 87, one defendant, who was a director of the corporation involved, was charged with conspiring with others to buy stock and resell it to the corporation at a higher figure. Thus, it appears, from an inspection of the cases cited, that in each and all the scheme charged was a scheme to defraud by misuse of a trust relationship. All of the cases cited by the Government relative to a fiduciary or a trust relationship are cases wherein the indictment specifically charged the violation of the mail fraud statute to have been predicated upon a breach of such relationship. The indictments do not merely allege a scheme to defraud, but specifically and in detail set out the particulars of the scheme. It is true that misrepresentations are absent, but in none of the cases and in no case of which we have knowledge has it ever been held that merely to allege in an

indictment that an organization has been formed in bad faith constitutes a sufficient charge under the mail fraud statute.

Hence, while we do not question that an indictment may be formulated based upon breach of trust, we assert that this is not such an indictment, but is one predicated entirely upon the charge that the defendants schemed to defraud by making certain misrepresentations. The trial was devoted to testimony related to these representations. To approve at this late date the Government's new contention that the indictment is really one charging the defendant with a breach of fiduciary obligations would be to deny them the right given to them under the law to know the nature of the charge against them before going to trial. We further submit that if the indictment is stripped of the portions which the Government now in effect maintains were surplusage, sufficient would not remain to constitute a proper indictment under the mail fraud statute.

Furthermore, assuming the Government's contention to be correct, the instruction would still constitute reversible error as the argument is based upon the same proposition used by the Government in connection with its other arguments, to wit, that the jury found against the defendants as to the particular facts necessary to a conviction under the theory of the Government.

ARGUMENT IV.

The Evidence Completely Fails to Support the Allegations of the Indictment by Evidence of a Substantial Character.

We believe that this appeal presents one of the most important cases to be decided by this Court. It brings squarely before the Court, we believe for the first time, the right of the government of the United States to prosecute leaders of a religious sect, having a large membership, under the mail fraud statute on the ground that they are not teaching or preaching the religious tenets of their organization in good faith. The appeal was not taken in this case because the defendants, or either of them, found it necessary to avoid serving a sentence in jail. It was taken because they believed and, we submit, rightfully so, that the mail fraud statute of the United States was not enacted and should not be used as a means to persecute a religious sect.

The right of religious freedom is one of the foremost and basic of the guarantees secured by the Federal Constitution—one of the four freedoms for which we are fighting. In respect to no other right guaranteed under the Constitution has the Court been more zealous in affording protection. As said by Chief Justice Stone in the dissenting opinion in the recent case of *Jones v. City of Opelika*, 86 L. Ed. Advance Opinion 1174, concerning freedom of religion and speech:

> "* * * the Constitution, by virtue of the First and the Fourteenth Amendments, has put those freedoms in a preferred position."

It has been called the "crowning glory" of American freedom. (*Cline v. State*, 9 Okla. Cr. 40, 130 Pac. 510.)

The courts of the various states of the Union, as well as of the United States, have been constantly on the alert and diligent in safeguarding this right; so diligent; in fact, and so careful, that they have held that all doubts are to be resolved in favor of religious freedom. Conduct which would not otherwise be tolerated, is sanctioned to safeguard it. Legislators have been warned that they should be reluctant to enter a doubtful zone where the result might be an impairment of it. (*Ex parte Dart*, 172 Cal. 47, 155 Pac. 63-66.)

In *Watson v. Jones*, 80 U. S. 679, 20 L. Ed. 666, the Supreme Court states at pages 728-9:

> "In this country the full and free right to entertain any religious belief, to practice any religious principle, and to teach any religious doctrine which does not violate the laws of morality and property, and which does not infringe personal rights, is conceded to all. The law knows no heresy and is committed to the support of no dogma, the establishment of no sect. The right to organize voluntary religious associations, to assist in the expression and dissemination of any religious doctrine * * * is unquestioned."

See, also:

Knowlton v. Baunhover, 182 Ia., 691.

Rather than permit the possibility of persecution and encroachment upon this liberty, the people have deemed it more expedient to permit exaggeration, vilification and

like excesses to occur—even false statement. So states the Supreme Court in *Cantwell v. State of Connecticut*, 310 U. S. 295 at 310, 84 L. Ed. 1213:

> "In the realm of religious faith, and in that of political belief, sharp differences arise. In both fields the tenets of one man may seem the rankest error to his neighbor. To persaude others to his own point of view, *the pleader, as we know, at times, resorts to exaggeration, to vilification of men who have been, or are, prominent in church or state; and even to false statement.** But the people of this nation have ordained in the light of history, that, in spite of the probability of excesses and abuses, the liberties are, in the long view, essential to enlightened opinion and right conduct on the part of the citizens of a democracy."

It has been recognized, too, that religious liberty is a peculiar right in that while all seemingly believe in it, where a particular case is involved, bigotry and prejudice blind those who profess themselves to be most anxious to protect its existence. In *Cantwell v. State of Connecticut, supra,* at page 310, the Supreme Court states, in connection with the foregoing:

> "The essential characteristic of these liberties is, that under their shield many types of life, character, opinion and belief can develop unmolested and unobstructed. *Nowhere is this shield more necessary than in our own country for a people composed of many races and of many creeds.*"

---

*All italics in this brief ours.

In *United States v. Schwimmer*, 279 U. S. 644, at 654-5 73 L. Ed. 889, it is said:

> "* * * if there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us, but freedom for the thought that we hate."

In *Minersville School District v. Gobitis*, 310 U. S. 586, 84 L. Ed. 1375, the Supreme Court of the United States points out that religious freedom, gained as a result of long strife, is not to be lost by failure on the part of the Government to protect it.

In the past, when certain liberties have been guaranteed to us by the Constitution, that liberty has rarely been taken from us by any comprehensive legislative enactment. Slight encroachments have been tolerated, followed by greater encroachments, predicated upon the acceptance of the first, until, to use the language of the Court in *Ex parte Dart, supra*, the freedom has been "gnawed and impaired." It is particularly true of religious freedom. No one contends that the right to practice religion is not subject to restriction by the police power of the state, but that balance between religious freedom and the exercise of police power is so fine that unless great care is taken the former will be destroyed by a seemingly proper exercise of the latter. As said in *Associated Press v. National Labor Relations Board*, 301 U. S. 103, at 141, 81 L. Ed. 953: If the people desire to preserve the liberties granted to them by the First Amendment—

> "* * * let them withstand all beginnings of encroachment. For the saddest epitaph which can be

carved in memory of a vanished liberty is that it was lost because its possessors failed to stretch forth a saving hand while yet there was time."

In stating at the outset that in our opinion this is a case of first impression we are not unmindful of the existence of certain cases upon which the Government relies. (See *New v. United States,* 245 Fed. 710; *Crane v. United States,* 259 Fed. 480; *Post v. United States,* 135 Fed. 1.) But we do contend that the situation in those cases differs so widely that they are no authority in this case. We do not maintain that those cases were erroneously decided, but we respectfully submit that in attacking a newly organized religious sect as the Government is attempting to do in this case, a definite foundation is being laid for the encroachment upon the right of religious freedom. This case represents a "streamlining" of the age-old evil of religious persecution. Its novelty lies in the fact that it can be employed without seemingly infringing on anyone's constitutional rights and without the use of the taxing power so often employed in this connection. (See *Jones v. City of Opelika, supra.*)

The mechanics employed are to charge the leaders of a new religious order with teaching false concepts in which they do not believe; they are afforded a jury trial—everything is seemingly regular. However, it becomes readily apparent how difficult it is for those whose religion differs greatly from the orthodox, whose tenets may seem unbelievable to the average mind, to prove to a jury of contrary belief, that they actually believe what they teach. And by the same token a jury of contrary beliefs must almost invariably come to a conclusion of bad faith, since they cannot reconcile their orthodox belief with those

of defendant. This trial illustrates that fact. It resulted in constant assaults upon the tenets of the defendants, constant mockery of them—fun was made of them—the Ascended Masters were compared to the characters in the funny paper—they were called upon for manifestations. The jurors became confused because manifestations had not been forthcoming. [R. p. 965.] All of the foregoing matters will be gone into more fully hereinafter.

Apostates have been available from the commencement of the Christian religion, and, in the course of the formation of almost all of them, ready to testify against the leader or leaders; ready to say that they taught that which they did not teach, or to misconstrue what was actually taught.

Upon the conviction of defendants on a charge of this kind we find the final step in the completion of religious persecution by the Government. Probation provisions were submitted by the Government and adopted by the Court that the defendants shall not conduct any meetings in which they claim to be accredited messengers of Divine Entities; that they shall not make any public representations regarding the matter of ascension; and that they shall refrain from any representations regarding Ascended Masters. Just imagine that! In a country professing freedom of religion, whose courts have specifically stated that that freedom includes the right to spread and propagate one's beliefs, the defendants are prohibited during such period as the Court should see fit (in this case one year) from making any statements regarding the matter of ascension.

In an endeavor to support the allegations, the Government introduced, in addition to the voluminous records

containing the teachings, certain witnesses who gave their interpretation of the teachings and also testified that the defendants had made certain statements concerning them which it will be seen, from a comparison therewith, are inconsistent with what was uniformly taught. We submit, in connection with this testimony, that where, as here, the tenets of the religion are expounded and disseminated by books and magazines which reach the hands of the followers, the Government must support its allegation that the defendants made false and fraudulent representations concerning ascension, healing, divine inspiration, etc., by showing false representations in those teachings, and cannot prove the existence of a scheme to defraud by isolated statements of apostates. Nor can the Government support the verdict in this case even by showing the existence of misrepresentations on the part of the defendants, unless those misrepresentations are so extensive in character and so often repeated that one can conclude therefrom that they are the result of a scheme to defraud through the use of the mails. (*McLendon v. United States*, 2 Fed. (2d) 660—6th Circuit.)

The *McLendon* case was followed in *Pelts v. United States* (2d Circuit), 54 Fed. (2d) 1001, at 1005, wherein it is stated:

> "* * * Not every representation constitutes a scheme to defraud. The issue is not whether any statement is false or true, *but whether the scheme as a whole is to defraud.* McLendon v. U. S., 2 F. (2d) 600 (C. C. A. 6); Faulkner v. U. S., 157 Fed. 840 (C. C. A. 5)."

An examination of the indictment shows that as to its charging allegations it is couched in most general

terms. Subdivisions "a" to "h," inclusive, merely refer to the establishment of the organiaztions of the "I AM," the establishment of reading rooms, the publication and manufacture of books and religious articles, the radio broadcasting of programs, and the solicitation of members for funds for the carrying out of the Activity. The alleged scheme and plan to defraud is particularized in subdivisions 1 to 20 of paragraph "i". Thus, the indictment itself is predicated upon the charges set forth in said subdivisions of paragraph "i", and we will proceed to treat specifically and fully with said subdivisions. Before doing so, however, we do wish to call to the Court's attention the extreme lack of certainty and the extreme lack of definiteness with which the indictment charges the inception and development and the carrying on of the alleged scheme and plan. May we add before proceeding, in the analysis of the evidence we will indulge in certain comparisons to other religions and have made references to the Bible. We do so with the utmost respect and without any thought or sense of questioning or ridiculing any other beliefs, teachings or doctrines.

The indictment alleges the defendants schemed:

(a) To induce to become members of "I AM" and to form "I AM",

(b) To form Saint Germain Foundations,

(c) To induce defrauded persons to give money and property to Saint Germain Foundation,

(d) To form Saint Germain Press,

(e) To induce people to be defrauded to purchase from Saint Germain Press,

(f) To sell to people to be defrauded, pictures, charts, etc.,

(g) To establish reading rooms and to conduct meetings and classes and lectures at said reading rooms *re* principal precepts and doctrines,

(h) To conduct radio broadcasts for instruction in the precepts and doctrines of the "I AM",

(i) It is alleged that as a part of the aforesaid scheme and to induce persons to become members, obtain money, sell the aforesaid charts, books, etc., the defendants made certain misrepresentations which are set forth in subdivisions 1 to 20 of sub-paragraph (i).

The allegations of said subdivisions 1 to 20 of subparagraph (i) are sometimes repetitious. For convenience, it is much simpler to group some of these subdivisions and to point out, in grouping, the particulars in which such allegations are unsupported by the evidence. These groupings will be gathered under the following subject matters referred to therein:

1. IMMORTALITY (Subdivisions 1 and 6);
2. DIVINE APPOINTMENT AND SELECTION (subdivisions 2, 3 and 4);
3. TEACHINGS CONDUCIVE TO ATTAINMENT OF EVENTUAL SALVATION (Subdivision 5);
4. BOOKS, MAGAZINES, LITERATURE AND OTHER ARTICLES AND PARAPHERNALIA CONDUCIVE TO EVENTUAL SALVATION (Subdivisions 10, 11 and 14);
5. HEALING (Subdivisions 7 and 8);

6. PRECIPITATION (Subdivision 9);
7. CATACLYSMS (Subdivisions 12 and 16);
8. DIVINE INSPIRATION AS TO SAINT GERMAIN'S PICTURE (Subdivision 13);
9. PROMISE OF APPEARANCE OF ASCENDED MASTERS (Subdivision 15);
10. FORBIDDENCE OF CRITICISM (Subdivision 17);
11. PROMISE OF ASCENSION (Subdivision 18).

Subdivisions 19 and 20 are general allegations to the effect that all of the representations in subdivisions 1 to 18, inclusive, were knowingly and intentionally fraudulent.

(1) IMMORTALITY (Subdivisions 1 and 6).

Subdivision 1 alleges that the defendant Guy W. Ballard had attained a supernatural state of immortality which condition enabled him to conquer disease, death, poverty, old age and misery. It further alleges that Guy W. Ballard did, in fact, die December 29th, 1939.

Subdivision 6 alleges that the defendants represented that Guy W. Ballard, during his lifetime and Edna W. Ballard and Donald Ballard had attained a supernatural state of self immortality by reason of which they were free from ailments common to man and were able to conquer disease, death, poverty, old age and misery, and which power the defendants were able to and would transmit to others willing to pay therefor. We will, in subsequent paragraphs entitled "Healing" and "Precipitation" treat with the alleged representations in connection with the conquering of disease and also their alleged representations in connection with poverty and misery.

Immortal, of course, means "Not mortal, imperishable, destined to live in all ages of this world." We assume that the Government meant by this charge that the defendants and Guy W. Ballard represented that they were going to live forever in their present physical bodies. This is indicated by the fact that in subdivision 1 the Government mentions the fact that Mr. Ballard died on December 29, 1939.

The record is wholly lacking in any evidence to the effect that these defendants or Guy W. Ballard represented they would live forever on this earth in their present physical bodies. The Ballards never represented that by reason of the attainment of a supernatural state or a state of immortality they had power to do any of the things as claimed by the Government. In fact Mrs. Ballard made it very clear to the students that they had no such power.

She stated:

> "* * * never let any of us for one second ever dare to think, say, feel or do anything that would try to make others feel or believe that we are the Power of Understanding which is helping to set the student free. The ONLY POWER in this Activity or any other that ever did anything good for anyone, is the Divine Activity of Life which is the 'Mighty I AM Presence' and no human being in this Activity shall ever take the credit in thought, feeling, word or act * * *
>
> "We are only privileged to carry the 'Cup of Light' which the Ascended Masters have entrusted to our care! We shall oppose everybody and everything who at any time openly or under cover attempts in thought, feeling, word or action, to give credit to

> any one's personality, *not even my own*, for bringing this Ascended Master Light, Instruction and Freedom of the 'Mighty I AM Presence' to mankind and holding this Light until they are free." ("The Voice"—April, 1940, pp. 36-37, Exhibit 60.)

These defendants did believe, and teach, that they, as well as all other persons, were immortal in one sense in which that term is used. They believed that

> "every individual has the Divine Flame of Life Within him, and–That God–part of him–has dominion wherever He moves in the universe." ("Unveiled Mysteries", p. 17.)

They further believe in a law of re-embodiment which encompasses continued re-birth of the spirit in human form until it has attained a certain perfection, at which time ascension will occur. It is possible to have attained a certain power by the accomplishment of good during previous embodiments which can be exercised during an existing embodiment. ("Unveiled Mysteries"—pp. 17-18.)

The doctrine of re-embodiment is similar to the doctrine of reincarnation which is widely accepted and is an integral part of Theosophy. Theosophists maintain it is believed in by a full one-half of the world, taught in the Bible and assented to by Jesus. (*Phelan's "New Handbook of All Denominations,"* p. 290.) Further that:

> "Through the experiences of its many incarnations the soul is able to progress to the stature, nature and dignity of Godhood and thus to emancipate itself from the necessity for further pilgrimage. The soul gets nothing by favor but everything by merit." (p. 289.)

Saint Germain disclosed to Mr. Ballard certain of his former embodiments and those of his wife and Donald in which they had held many high positions unswervingly used by them for the accomplishment of good, right and justice.

In an endeavor to support the alleged representation of immortality the Government quoted from one or two discourses by the Ascended Masters to the effect that the students

> "one day will know what these Precious *Messengers have meant to you and to humanity.* One day you shall know who they are. You do not know yet." (Exhibit 42, p. 8—Discourse by "Mighty Victory")

First of all it should be noted that the quotation is from a discourse by an Ascended Master. It is not a statement or representation by any of the Ballards. Under the Court's instructions, the Master's discourses are to be deemed correct and true. In this discourse there is no statement or claim that the Messengers are immortal. Precisely what is meant by the above statement of the Ascended Master "Mighty Victory" is, of course, not for us to say. In view of the teachings of Saint Germain the most obvious explanation would be that by reason of the amount of constructive service rendered by the Messengers throughout the centuries, and during this embodiment, in an endeavor to spread the teachings, they have been of greater assistance to humanity than was then known to the listeners.

Another quotation from discourses used during the trial was from one by "Beloved Eriel" wherein he states:

> "These Messengers make no mistakes." [R. p. 1149.]

The Government would seek to imply from this statement that this is a representation of immortality. Isn't it obvious that the sense in which this is used merely is that the messengers make no mistakes in recording and dispensing to the public the discourses of the Ascended Masters? Isn't it precisely similar to the belief of the Catholic Faith that the Pope, the visible head of the church and the vicar of Christ on earth, cannot err when he teaches a doctrine of faith or morals? Isn't it, as Mrs. Ballard stated, when asked about this discourse:

> "* * * he is speaking from his octave of light—not from this world of human opinion." [R. p. 1149.]

Another instance which the Government cites regarding its allegation of immortality is the following from a discourse of Saint Germain:

> "The body of this Messenger is a part of Myself. The body of your Beloved Lotus (referring to Mrs. Ballard) is a part of the Goddess of Justice. The Goddess of Justice is the Feminine Part of Myself." ("The Voice"—May, 1939, p. 32, Ex. 49.)

Again it is not for us or for the jury to interpret the words of the Ascended Masters. Under the rulings of the Court they were not entitled to do so.

Mrs. Ballard stated this discourse was understood by her to mean that in the "inner work", as it is called, an Ascended Master may draw a student into close association with himself, take the student into his own aura and from then on the student becomes a part of himself: The Master attunes the student to his own consciousness and may thereafter reach him more readily. [R. p. 1145.] Consequently we see that the statement last referred to

neither directly nor by a proper interpretation indicates immortality on the part of the Messengers.

The testimony of Mrs. Ballard, on cross-examination, to the effect that the Messengers never represented they were Ascended Masters [R. p. 1144] went uncontradicted and was never questioned by the Government.

The fact that the Messengers made no claim to immortality is also exemplified by the fact that they made no pretense in their public conduct that they were not subject to the same ailments and difficulties affecting and afflicting others. Wilbur Smith, a Government witness, testified that Mrs. Ballard took cough drops from the speaking platform. Communications between the Ballards contain a matter of fact mention of ailments which they had suffered. [R. pp. 604, 848.] A student, Dr. Gottam, testifying for the Government, testified Mrs. Ballard was a patient of his. [R. p. 466.] No secret was made of the fact that Mr. Ballard did not continue physically in this life, and it is significant to note that his death was not deemed inconsistent with any of the teachings.

In respect to the claim of the Government that the defendants represented that through their supernatural power and immortal state old age could be overcome—again no such representations were made. It was believed and taught that old age can and will be partially or wholly overcome by all persons who abide by the teachings. According to Saint Germain, discord in thought and feeling brings about the destruction of the beautiful bodies that nature provides for our experience in the physical part of life. Discordant thoughts and feelings allowed to be expressed by the personal self over the years, as one goes

through life, incapacitates the body and causes it to fall into ruin. Discord is another name of disintegration—a synonym for death. When so incapacitated it can no longer make a self conscious effort to express perfection. Then nature takes a hand to dissolve this limitation in order that the individual may have a new chance to make an effort that is of benefit. ("The Magic Presence"—pp. 20-21.) The Government sought during the trial to twist these teachings in this connection into the belief that one may physically return to the appearance of a young person, but this is not what was believed nor what was taught. The statement relied upon by the Government is the following from a discourse by Saint Germain:

> "I say to you, beloved ones who are in the neighborhood of 60 years old, I tell you, any one of you in six weeks can be as *strong, firm* and *active* as you were in your fullest youth." ("The Voice"—December, 1937, p. 16.)

It will be noted that the statement does not say that youth will return; merely that one can regain or retain strength and activity once had. That this is the proper interpretation of the first statement is made clear by reading another discourse by an Ascended Master:

> "There is one in your audience here today who is 70 years old and yet has the alertness and mentality and action of a child." ("The Voice"—October, 1939, p. 14.)

It is further stated in the same discourse that there will be thousands who will hold this youthful activity to a much greater age—170 years, if necessary. We do not see why this cannot be accepted by these people as readily as the Christian belief that persons have in the past lived to be

the following age: Adam—930 (Genesis 5:5); Moses—120 (Deut. 34:7); Methuselah—969 (Genesis 5:27). Christ gave this prophecy:

> "Verily I say unto you. There be some standing here, *which shall not taste of death, till they see the Son of man coming in his kingdom.*" (Matthew 16:28.)

The Government alleges that the Ballards offered to transmit to others, for money, the supernatural state alleged to be enjoyed by the Ballards, as well as the alleged attributes thereof of agelessness, immunity from disease, poverty and misery, but it is submitted that the record is wholly destitute of any substantiation therefor. We challenge the Government to point out to this Honorable Court a single instance of any such representation by the Ballards, or one iota of evidence to support this allegation.

(2) Divine Appointment and Selection.
(Subdivisions 2, 3 and 4.)

Subdivision 2 alleges that the defendants falsely represented that Guy W. Ballard had been selected by the Ascended Master Saint Germain as a divine messenger and that the words of Saint Germain would be transmitted to mankind through the medium of Guy W. Ballard.

Subdivision 3 alleges that the defendants represented that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard, by reason of their alleged high spiritual attainments, had been selected as divine messengers through whom the words of the Ascended Masters would be communicated to mankind under the teachings commonly known as the "I AM" Activity.

Subdivision 4 alleges that the defendants represented that Guy W. Ballard, Edna W. Ballard and Donald Ballard had, by supernatural visitation, been accorded a supernatural state of immortality and had been appointed messengers of divine entities and the Ascended Masters, and it was only through one of them that the teachings of the Ascended Masters and divine entities would be given to mankind.

Guy W. Ballard, deceased, claimed direct revelation from the Ascended Masters in bringing forth and launching the teachings of the "I AM" Activity. This is evident from the initial publications "Unveiled Mysteries", Exhibit 3, and "The Magic Presence," Exhibit 4, as well as from other exhibits, particularly "The Voice" magazine, which contains the teachings of the "I AM" Activity.

It is not without precedent for one to claim revelation. The Bible from start to finish conclusively proves and establishes that very thing. See: Amos 3:7; Jeremiah 1:5; Genesis 5:22; Genesis 6.

The above are but a few of the references in the Bible illustrating that through the centuries individuals were divinely appointed as revelators, these men being those who in particular eras acted as media between God and man in order to make known to man such truths, teachings and understandings as God desired made known. Christ Himself was a revelator. (John 12:49-50.)

When we recall the foregoing, is it not reasonable for defendant to believe in latter day revelations?

Direct revelation is not the basis of all Christian faiths. Some churches, for example the Roman Catholic, claim direct lineal authority from Christ. Some, for example

Lutheran, claim authority on the direction given by Jesus to preach the gospel as expressed in Mark 16:15-18. But direct revelation is the basis of authority for other religions, for example, Church of Jesus Christ of Latter Day Saints, also known as Mormons.

Not the least difficult of proof as to authenticity are those religions predicated on revelation. In fact, if any religion were called upon to prove the authenticity of its teachings to an incredulous jury, by what possible yardstick could this proof be made? Realizing this difficulty, why should the Government in this case in effect be permitted to cast upon the defendants the burden of proving their claims that the deceased Guy W. Ballard received the revelations from the Ascended Masters?

In respect to the reason which Saint German had for the selection of the messengers, the Government cannot and did not sustain the charge contained in Subdivision 3 that it came about as a result of their alleged high spiritual attainments in the sense that that term is ordinarily used. It must be remembered that a fundamental of this belief is that of re-embodiment and a part of that concept is the belief that one may improve and reach a higher spiritual state in the course of previous embodiments. The Ballards taught that by reason of previous associations with Saint Germain, in other embodiments, and attainments in those embodiments, Mr. Ballard was selected in this lifetime to be taught and to teach others. On his first contact with Saint Germain at Mount Shasta Mr. Ballard wondered who and what He was, and how He knew Mr. Ballard. Saint Germain answered his thought and said to him:

"* * * I have known you for aeons. In raising your thought—by your own conscious effort—it made

my coming to you possible at this time. While I have always been in touch with you, when we were both in our finer bodies--your conscious effort of reaching out to some one of the Ascended Masters—opened the way for me to come to you in a much more tangible way—that is—tangible to your physical senses." ("Unveiled Mysteries," p. 15.)

It was taught in radio broadcasts that Mr. Ballard was chosen by Saint Germain because of previous association and preparation to have and record these experiences. ("The Voice," June, 1937—p. 10; Exhibit 26.) When Mr. Ballard was having the experiences related in "Unveiled Mysteries" Saint Germain took him, instructed him and sent him back to the world to carry the information to mankind. ("The Voice," September, 1938—p. 11; Exhibit 41.)

Again the Government misunderstood the teachings of the Activity when it charged the defendants with representing that they were selected for their high spiritual attainments during this lifetime.

But even assuming for the sake of argument that the Ballards claimed their appointment or selection to have been by virtue of their high spiritual attainments and righteous conduct in this life, the evidence is utterly devoid of any proof of lack of either spiritual attainment or righteous conduct. Certainly the Government threw open wide the door, by this charge, to introduce all manner of evidence, had any existed, affecting any stage or year of the earthly existence of these defendants. Nor was it because witnesses who knew the Ballards were not available to the Government. It had on the witness stand on its behalf persons who were intimately acquainted with

the Ballards for many years. The Government's failure to do this is the greatest proof possible of the fact that no smear against the characters or attainments of the Ballards existed.

The Government's charge that Donald claimed appointment as a messenger because of his attainments, spiritual or otherwise, in this life, are ridiculous when we consider the fact that Donald was but a youth during the time covered by the charges. Hence any references to the reason for Donald's appointment as a messenger obviously would refer to his accomplishments or attainments in some former embodiment. As a matter of fact, in "Unveiled Mysteries" Donald is referred to as having in some former embodiments accomplished much good for mankind.

The Government further charges in this phase of the indictment that the defendants represented that the Ballards were the only channel through which the teachings of the "I AM" Activity would be given. This, in effect, is what is stated by the Ascended Master, Jesus. ("The Voice," February, 1936, p. 7, Exhibit 10.) Like other matters, the verity of this was not for the jury. We point out, however, that the Government did not even attempt to show that the teachings of the "I AM" Activity were or have been received through others.

(3) Teachings Conducive to Attainment of Eventual Salvation.

(Subdivisions 5 and 6.)

Subdivision 5 alleges that the defendants represented that the teachings, precepts, doctrines and principles published and promulgated by the defendants under the "I AM" Movement were the only channels through which

the teachings of Saint Germain and other Ascended Masters would be given to the world, and that said teachings were absolutely essential to the salvation of mankind.

Subdivision 6 alleges that the defendants represented they had attained a supernatural state of self-immortality whereby they were entirely free from ailments common to mankind and were enabled to conquer disease, death, old age, poverty and misery, which power or condition they would transmit to others for money, all for the false and fraudulent purpose of defrauding, and all of which representations the defendants knew to be false.

The Government in this, as in practically every other charging allegation in the indictment, goes beyond the representations as made by the "I AM" Activity and while making a half truthful statement so misconstrues and extends the representation as to make it clearly without substantiation in the evidence.

It will be noted in this charge of the indictment that it is alleged that the defendants represented that *only* through the teachings of the "I AM" could mankind attain his salvation. That is, the Government charges that it was represented that the teachings of the Ascended Masters could come only through the "I AM" Activity and that said teachings were essential to salvation. It is not denied by the defendants that it is, was and always will be their representation that the teachings of the "I AM" Activity furnish a means to eventual salvation. However, there is no evidence whatsoever and the Government cannot point to any evidence wherein the defendants represented that only through the "I AM" activities could mankind's salvation be attained.

Let the Government point out what Christian religion there is which does not preach that adherence to its teachings is a means of final salvation. As a matter of fact some teach in most positive terms that adherence to their belief is essential not only to salvation but to avoid eternal damnation. Thus the Roman Catholic, the Lutheran and the Anglican churches profess the Athanasian Creed to be authoritative.

In this creed it is stated:

"THE ATHANASIAN CREED.

"Whosoever will be saved; before all things it is necessary that he hold the Catholic faith; which faith except every one do keep whole and undefiled; without doubt he shall perish everlastingly. * * *"

The Creed is then set forth and concludes with the following:

"This is the Catholic faith; which except a man believe faithfully (truly and firmly), he cannot be saved."

It is interesting to note that Christianity maintains that only through its teachings can man be saved. In the Bible it is stated:

"He that believeth and is baptized shall be saved; but he that believeth not shall be damned." (Mark 16:16.)

Yet fully two-thirds of the religious people of the entire world profess other than the Christian faith.

We might point out that irrespective of all the foregoing, that the Government has failed miserably in any event to establish that the alleged representations set forth

in this clause of the indictment are false. We have mentioned this same failure in connection with other charges of the Government but as to this particular charge the failure can almost be said to be demonstrated by proof to the contrary because, as aforesaid, virtually every instruction and admonition of the "I AM" Activity as to salvation finds its counterpart in those religions that the prosecutors for the Government would dare not attack.

(4) Books, Magazines, Literature and Other Articles and Paraphernalia Conducive to Eventual Salvation.

(Subdivisions 10, 11 and 14.)

Subdivision 10 alleges that the defendants published and sold, for approximately six years preceding the filing of the indictment, books in which it was stated that the contents thereof were the result of divine visitations and dictations by Saint Germain and other supernatural entities appearing in supernatural visitations to one of the Ballards and that the defendants represented that said books contained the divine instructions for the salvation of mankind, said books being, among others, "Unveiled Mysteries" and "The Magic Presence"; that the defendants represented that the Ballards actually encountered the experiences pertaining to each of them, as related in said books.

Subdivision 11 alleges that the defendants, over a period of seven years preceding the filing of the indictment, published, sold and circulated magazines, booklets, circulars, edicts, decrees and musical compositions under the false representations that they were divinely inspired and dictated by the Ascended Masters and were a part of the

medium through which persons could obtain divine salvation.

Subdivision 14 alleges that the defendants falsely represented that the purchase of certain charts, photographs, records and articles sold by the defendants would bestow upon the purchasers great blessings and rewards in their aim to achieve salvation.

The defendants most certainly have and do represent that the teachings and precepts of the "I AM" as set forth in the books, discourses and magazines are the result of revelations received from the experiences had with the Ascended Masters.

The Government would attempt to dispute the divine relevation of these discourses by asserting a few minor errors or discrepancies. For instance, much is sought to be made of the fact that the stenographic transcriptions of the discourses received by the Ballards from the Ascended Masters were corrected for punctuation and even sometimes for grammatical errors. Certainly it would be unusual to suppose that such errors would not occur to say nothing of the possibility that the channel of these discourses, Mr. Ballard, might most readily and naturally from time to time improperly express the words as received from the Ascended Masters.

As a matter of fact, on the fly leaf of I AM Discourses (Exhibit .....) under "author's appreciation," Mr. Ballard credits Mrs. Ballard with assistance in editing and Mrs. Monday with assistance in proofing the manuscripts. Hence as this book, as well as the others was freely circulated among all members, Mr. Ballard fully disclosed that there were corrections and editing necessary in connection therewith.

Again the Government would say that the fact that upon one occasion the Ballards, speaking personally and not in their respective capacities as appointed messengers, expressed the thought or belief to Miss Majerus, one of their students, that she would perhaps be appointed a messenger, by Saint Germain, and that she was thereafter appointed, is evidence that the discourses were not divine revelations. If this be proof, then surely the task of the Government is an easy one. Each and every instance that the Government might cite is equally shallow upon examination.

It is obvious that the Government has failed utterly to establish that these revelations or experiences were untrue. In fact the truth or falsity was removed by the Court from the consideration of the jury.

The Government again charges that the defendants represented that the instructions contained in the "I AM" literature are designed for the salvation of mankind. Defendants do not deny this. However, we have answered this allegation under Subdivision 3, *supra*.

The defendants have represented and continue to represent that the experiences set forth in the books of the "I AM" were actual experiences, that is, to the extent and in the sense expressed in the books themselves. Neither the "Unveiled Mysteries" nor "The Magic Presence" professes said experiences to have been in the actual every day physical body but, to the contrary, in some form of ethereal body.

As stated heretofore, prior to the organization of the Activity, Mr. Ballard, under the pen name of Godfré Ray King, wrote "Unveiled Mysteries" wherein he recorded certain experiences which he had with the Ascended Mas-

ter Saint Germain. Thereafter he published a second book entitled "The Magic Presence." It was the contention of the Government, as noted by the indictment, that the said books did not contain actual experiences had by Mr. Ballard with Saint Germain or with the other Ascended Masters. In an endeavor to prove such was the fact counsel for the Government, during the trial of the case, endeavored to convince the jury that Mr. Ballard could not have had the experiences enumerated because he could not have been present at the places named at the times designated.

In so contending the Government wholly misconstrued the language of the books and wholly fails to comprehend what is meant by the defendants when they state that an experience is REAL and that the Persons or Beings were actually present.

In the Foreword of "Unveiled Mysteries" it is stated, as follows: "This book is written in the embrace of the majestic, towering presence of Mount Shasta, * * *." That Mr. Ballard was at Mount Shasta and wrote "Unveiled Mysteries" while there is proved by letters from Mr. Ballard to Mrs. Ballard, introduced by the Government. (Exhibit 203.) The following is also found in the Foreword of that book:

> "To those who read this work, I wish to say, that these experiences are as Real and True as mankind's existence on this earth today, and that they all occurred during August, September and October of 1930 upon Mount Shasta, California, U. S. A."

The first experience with Sainta Germain recorded in the book is while Mr. Ballard is on the mountain side of Mount Shasta. Certain experiences are given to him

by Saint Germain at this first meeting. However, it is not pretended that those experiences occurred in the physical body of Mr. Ballard. It is stated, on page 24:

> "'Notice!' he reminded me, 'you are experiencing these activities in your *finer body*—but they are none the less—Real—because of that—for your physical body is only a garment which you—the Self-Conscious—thinking—and experiencing individual, wear.
>
> "'It is the same as though you wore a heavy overcoat in the cold winter atmosphere and only a light suit of clothes on a very warm summer day. Experiences in your light suit of clothes—would surely be no less—Real—than those you lived through in your heavy overcoat. I call this to your attention, that you may understand—the fuller—and less limited—activities of Life.'"

Clearly by the word "real" is not meant physical, for during the experience his body reposed on the ground (p. 19) and on page 27 it will be noted that he states concerning the return, after the experiences: *"As we came near my body,* he instructed again."

The next experience enumerated concerns a civilization formerly existing in the Sahara Desert and it should be noted that in this case the manner of the experience is entirely different from the manner of the experience in Chapter 1 of the book. Saint Germain stressed, at the outset (p. 33):

> *"Instead of going forth from the body as in your recent experience, today we will use the Projected Consciousness.* * * *
>
> "I wish you to fix firmly in mind, and recall frequently for contemplation—the fact—that the Laws I explain, and teach you to use, are to bring you

into a condition—of Conscious Mastery—over all forces—and things on earth. This means that—no matter what is being experienced—you are always at every instant in complete conscious control of your own mind and body, and able to use your own free will—at all times.

"In this state of Projected Consciousness—you are completely conscious and have full mastery over all —your faculties every instant. * * *

* * * * * * * *

"A student may be given the experience of Projection—if an Ascended Master chooses to expand his consciousness temporarily—so that he experiences things happening in *two* or more places at the same time. In such a condition—the student's faculties are completely under the control and direction of his own free will—at every moment. He is fully conscious and active—*wherever his body may be*—and also at the place to which the Ascended Master chooses to direct his attention for the instruction."

In this state (p. 35):

"* * * one uses his faculties of sight and hearing exactly as he does in daily life, except that they are expanded into the next octave or zone above the human."

There follows experiences involving a civilization which existed in what is now the Sahara Desert during a preceding Golden Age and at the Royal Tetons. They are again experienced in the "finer body" (p. 75).

We turn next to "The Magic Presence" the experiences of which the Government claims could not have occurred as recited because of inconsistencies in time and place. An examination of the book in relation to the first book

clearly demonstrates that while the experiences are denominated Real, True and Eternal, it does not say and it is not intended to convey the idea that he was actually at the places at the time mentioned, in the physical body as the term is ordinarily used any more than in the first book. In the foreword of this second book it is stated:

> "The book contains the *second group* of experiences which I was privileged to have through the Love and assistance of the Beloved Ascended Master, Saint Germain."

On the first page he refers to the ending of "Unveiled Mysteries" and then states:

> "In this book I shall describe *another group* of important and wonderful experiences which I was privileged to have *during those months of association with our Beloved Ascended Master, Saint Germain.*"

The foreword that the experiences are "Real, True and Eternal" is not contrary to what has been said, because under the concepts of the defendants an experience may be real and true and yet need not be experienced in the physical body. We call the Court's attention to the fact that in "The Magic Presence" it is stated:

> "In 'The Magic Presence' my experiences were the results of applying the knowledge he had previously revealed." (Forward, p. 11.)

That obviously refers to the use of the Projected Consciousness described above and set forth more fully at pages 33 and 34 of "Unveiled Mysteries," and in such Projected Consciousness it is not necessary that the physical body be present. In fact, as noted, one may experience things happening "in two or more places at the same time."

Nor did the defendants ever represent that Mr. Ballard took the trip or was at the places mentioned in the books in his ordinary physical body. In a radio address by Mrs. Ballard ("The Voice"—June, 1937, issue, at p. 9, Ex. 26) she explains that in their quest for truth:

> "* * * The answer to our quest came in 1930, right here in your own glorious America, on the side of Mount Shasta, when Saint German, Who is One of the Great Ascended Masters, came forth to Mr. Ballard and made it possible for him to have the transcendent illuminating experiences which Mr. Ballard has recorded in his book, UNVEILED MYSTERIES, written under the pen name of Godfré Ray King. A few months later, in the beautiful Wyoming Rockies and the Grand Teton of Teton National Park, Mr. Ballard was shown and taught the marvels which he has recorded in his book, THE MAGIC PRESENCE. * * *
>
> * * * * * * * *
>
> "At the close of these experiences Mr. Ballard returned to our home in Chicago where further explanation of this Mighty Law of Life—the 'MIGHTY I AM Presence'—was given to us by Saint Germain in person. * * *"

The question of whether or not the books were the result of divine inspiration was expressly withdrawn from the jury by the Judge. The only question left to the jury was whether or not the defendants, in good faith, believed that the visitations set forth in those books actually occurred. The Government's attempt to prove that the defendants were not in good faith, by showing that Mr. Ballard could not have been at the places at the time stated, greatly prejudiced the defendants' case before the

jury. When properly viewed, the facts upon which the Government placed so much reliance during the trial, are no evidence whatsoever to support the charge contained in this subdivision of the indictment.

Furthermore, it is seen from an examination of these books that the narrative portions thereof are but incidental to the release of the teachings and precepts of the Ascended Masters, which teachings and precepts are so profusely set forth in the course of the narratives. These books form but one of the means through which the teachings of the "I AM" Activity are given. Nowhere can the Government point out that the defendants represented directly or indirectly that the actual possession of these books was necessary for the attainment of salvation, or for the acquisition of an understanding of the teachings of the "I AM" Activity. Actually it was believed a convenience for the students to have the books available as an assistance; but this is a far cry from the allegation of the indictment that the purchase of the books by the students was necessary for salvation.

We are familiar with the articles of use and adornment that various religions suggest as being adapted to the assistance of their brethren in the attainment of salvation. Prayer books, rosaries, blessed candles, holy water, oils, pictures, crucifixes, medals and innumerable paraphernalia are recognized by all of us as being proper media of assistance to the faithful in the practice of their respective religious concepts.

As to records, songs, flames in action, and the like, they were never represented as being at all necessary to salvation. They were believed to be effective for contemplation and meditation, just as crucifixes or other religious articles.

(Exhibit 45—inside cover of "The Voice," January, 1939.) Records were said to be charged with a healing quality but "healing" as used by the Activity and by the students was not restricted to nor did it necessarily refer to physical ailments. It had reference to the mental and spiritual side as well. [R. p. 950.] Such songs and records assisted students in the practice of their religion, that is, in the call upon their "I AM Presence" in an endeavor to attain harmony and perfection.

Much is made of the fact that the "I AM" teaches that the use of decrees, preferably given in unison, would be helpful in the attainment of assistance from the Ascended Masters. As usual, the Government infers that the giving of the decrees in unison was for the purpose of selling more decrees. This practice of the giving of decrees in unison is not peculiar to the "I AM" Activity. For one, the Catholic church practices the recital of litanies and prayers which are given in unison. Furthermore, the giving of decrees in unison is entirely in conformance with the teachings of the "I AM." There exists the belief that the procurement of assistance is through calls made by individual members; that an individual can cause a flow of energy to go forth, helpful to the attainment of the particular goal; and that the greater number of people participating and making the calls, the greater the effect.

As to their literature, it is similar in effect and purpose to the "Christian Science Monitor," "Christian Science Sentinel," Catholic "Tidings," Catholic "Messenger," the Mormon "Improvement Era," and other church publications. Hymn books and manuals are used in practically every religion.

Christ appointed His apostles to spread the word of God to the four corners of the earth and certainly had the day and age been the present one, they would have been the first to have used the modern means of communication, such as the radio, magazines and books in the promulgation of their teachings. Naturally defendants believed that those who obtained the books and magazines, those who listened to the radio talks, and then followed the teachings, would be assisted.

The Government further alleges that it was falsely represented that all the musical writings or compositions of the "I AM" were divinely inspired. The Government totally failed in its attempt of proof. The Government called as a witness Virginia La Ferrera, apparently in an effort to show that it was she who wrote the songs attributed to Mr. Ballard. However, in reading her testimony it will be noted that Mr. Ballard played the theme and presented the lyrics and that she acted, by her own testimony, as arranger, although she attempts to create the impression that it was she who wrote the songs. [R. p. 500.] Virginia La Ferrera is one of the apostates who left the "I AM" Activity and she was followed in the capacity of organist by Frederick Loudwehr, who was called as a witness by the defense. He testified that Mr. Ballard played the piano in his presence many times and asked Mr. Loudwehr to take down the compositions "coming through"; that Mr. Ballard would play the theme and that the witness would take it down and arrange it. He explains the meaning of the music "coming through" as follows:

> "I meant that Mr. Ballard would just play the music —would just pour through him. It wasn't anything familiar." [R. p. 1119.]

In their advertisements the defendants uniformly stated that the songs were those of Godfré Ray King, Virginia La Ferrera or Catherine Rogers, as the case might be.

(5) Healing.

(Subdivisions 7 and 8.)

Subdivision 7 alleges that the defendants represented that the Ballards had, by reason of supernatural attainments, the power to heal persons of ailments and diseases and the ability and power to cure persons of those diseases normally classified as curable and incurable and that they had, in fact, cured, either by the activity of one, either or all, hundreds of persons afflicted with diseases and ailments, and that said representations were made for the purpose of acquiring domination and belief among the followers of said movement.

Subdivision 8 alleges that the defendants represented that the Ballards had, by reason of divine origin, acquired a great healing power and that the followers of the "I AM" Movement might also acquire such healing power and be able to achieve perfect bodies and heal themselves of human ailments if said followers would give implicit obedience to the precepts, principles, teachings and doctrines of the "I AM" movement.

It is to be noted that the Government's charge is that Ballards claimed that they healed. The truth of the matter is that the only claim made by the Ballards in this respect is that healing is accomplished only through calls to the "Mighty I AM Presence"; that the most that they or any student could do was to place such calls. (See "The Voice," April, 1940—page 36; Exhibit 60.)

In the April, 1936, edition of "The Voice" (Exhibit 12) it is said that the words of the Ascended Masters are a substance charged with power to produce Perfection in the individual. It is next stated (page 8):

> "*You must use them yourself* in order for that substance to locate in your mind and body. *No one else can ever do this for you* and that is the reason why *only by his own conscious effort* can the individual ever gain his freedom and victory over the activity of the outer world."

This is made clear in the December, 1936, issue of "The Voice," page 7 (Exhibit 20):

> "Do you not see, loved ones, your Presence is the greatest healing Presence in the world? Oh do not become discouraged if you make the call, for instance, for health and you do not see results. Say to those appearances: 'You have no power!' Then continue in your application to call your Presence into action * * * It will supply to you all that is required, as has been proven in thousands of instances among the students when *they make that call with the power of their Presence* to give them health and freedom not otherwise possible."

Even the Ascended Master does not profess to heal the student. It is stated (page 7):

> "We can only endeavor to encourage and sustain you until your call becomes intense enough * * *" (Exhibit No. 20.)

In a discourse by Saint Germain, to be found in the November, 1936, edition of "The Voice," at page 3 (Exhibit 19), it is said that an earnest determined application of the simple laws which are given is all that is required to have freedom, dominion and achievement in one's life.

It is said in "The Voice," April, 1936, at page 3 (Exhibit 12) that persons who have accomplished healing through various activities for a time have eventually failed because it was done for a livelihood instead of for the purpose of illuminating the mind of the individual. As in many Christian denominations there is a recognition of the fact that one person may pray for and assist another, so in this Activity one may make calls for the aid and assistance of another, thereby helping the other as well as himself. ("The Voice", February, 1940, p. 7. Exhibit 58.)

Proof that the Activity taught that healing is accomplished chiefly through the conscious effort of the individual, but can be and often is assisted through calls by other students and by the leaders is shown not only by the discourses but by the testimony of the Government's witnesses, testimony of the defendants' witnesses and the statements of the defendants themselves. Where students have written to the Ballards asking that they also make a call on the student's behalf, Mrs. Ballard has publicly announced that in some instances the cure was obtained before the leaders even received the letters. [R. p. 406.] It was taught that upon applying the law the students had as much healing power as the messengers. ("The Voice," September, 1937, p. 15: Exhibit 29.)

There was no misunderstanding among the students of this Activity as to how they were to perfect their bodies. Mr. Rogers, a Government witness, and a member of the Ballard staff for a considerable period of time, stated:

> "I never heard the Ballards, or either of them, say that they had the power to heal. * * * Essentially the whole idea was predicated upon the theory that

one must call upon the Mighty I AM Presence to project on them the healing ray and make them well. I believed this and still do." [R. p. 392.]

Mrs. Bliss, a former teacher in the Activity, Government witness and bitter against the Ballards, stated:

"It was my understanding the person seeking healing had to ask for it and then be receptive in his mental attitude. I don't think it was ever stated that the person had to erase all doubt. *They said you could apply this principle yourself.* I thought that healing happened instantly on the inner planes but that it might take a while to show through. They claimed they had a very much stronger dynamic call —it might take me a month to call forth the power that they could call forth instantly." [R. p. 457.]

Defendants' witnesses (students of the Activity) who came from all parts of the country, testified that they did not hear Mrs. Ballard, or anyone, say that the Ballards could heal; that their understanding regarding healing was as stated above. [Cahill, R. p. 954; Sewards, R. p. 958; Boerrigter, R. pp. 972-973; Kildah, R. p. 980; Magnuson, R. p. 987; Leona Carter, R. p. 992; Roy, R. p. 1001; Lovette, R. p. 1005; Gardiner, R. p. 1007; Hudson, R. p. 1011; Palmer, R. p. 1040; Elsa Chamberlain, R. p. 948; Zimmerman, R. p. 936.] It is not taught that individuals who have not become aware of the "I AM Presence" should cease all remedial agents, but that until sufficient mastery is obtained the remedial agents should be used sparingly. (I AM Discourse, Exhibit 5, p. 236. Assistance by the medical profession is recognized. ("The Voice," October, 1939, p. 35; Exhibit 54.)

There is no doubt that the defendants taught, and believed, that through their calls and the assistance given by them to students, they had been of tremendous assistance to the students in effecting cures. The Ascended Masters so stated in discourses. The Government will undoubtedly cite certain of these statements, seek to attach to them undue significance and endeavor to convince this court that those statements are false and contain a representation that the Ballards had a supernatural power to heal. We quote from one of those statements stressed by the Government during the trial:

> "Remember, beloved students, many of you have not heard this, but through the call to this Beloved Messenger alone (Mr. G. W. Ballard) over twenty thousand instantaneous healings have been achieved *by his calls* in five years. There is no such other record upon the earth as this, and yet there are people who want to destroy him." ("The Voice," Feb. 1940, p. 17, Exhibit 58.)

It will be noted that in the foregoing statement, and in all statements of similar nature, the assistance was professed to have been rendered *by the calls* of the messengers.

Now, whether or not such assistance was actually rendered through calls by the messengers is not involved in this case. The only pertinency of the whole matter is whether or not the Ballards believed statements of the Ascended Masters that their calls had been of assistance to the students. In this connection we call the court's attention to the testimony of Pat Crouse, a Government witness, and exceedingly antagonistic to the Ballards. He states:

> "I actually talked to many people who claimed to be healed, and I believed those people who told me

that they had been healed and that they had been healed as a result of the Movement. In letters I heard a number of people say that they had been cured of what was generally regarded by medical people as incurable diseases. I did not believe the statements in the letters without reservation in some cases." [R. p. 579.]

The foregoing testimony comes not from a student of the Activity, but a person who states he had close knowledge of the Ballards and lived with them day in and day out for several years.

Apparently the Ballards were constantly advised through Group Leaders, of healings which occurred among the students. In a letter from the Ballards to Jane Ferguson, a Government witness, they stated:

"The letter of your student in N. C. Through whom the marvelous healing has manifested, is wonderful indeed. The Mighty 'I AM' Presence bless him ever with greater and greater healing power." [Exhibit 207, R. p. 856.]

The witness testified that that was in answer to a letter she had written to the Ballards regarding the healing manifested in one Mrs. Billheimer. [R. p. 864.]

Defendant witnesses testified that they had been benefited and healed through the Activity. Boerrigter—improved eyesight and better health [R. p. 973]; Johns—acute nervous headaches [R. p. 995]; Cahill—benefited physically [R. p. 954]; Zimmerman—eyesight and general physical condition [R. p. 938]; Buck—improvement of weakened condition [R. p. 989]; Hawley [R. p. 997]; Roy [R. p. 1002]; Lovette—paralysis, diabetes, heart condition [R. p. 1003]; Hudson [R. p. 1012]. Of

course, the Ascended Masters were usually the ones who commented on the healings, but with such background and such information at hand, were not the Ballards justified in making statements that *through* the Activity and *through* calls to the "Mighty I AM Presence" thousands of people had been benefited, some of them cured, of commonly believed incurable diseases? Why were they not as justified in believing and stating this to be the fact as those who conduct the Shrine at Lourdes, France, and St. Anne's de Beaupré, at Quebec, Canada?

After all, the idea that healing of disease can be accomplished through faith is the basis upon which an integral part of at least one sect—that of the Church of Christ Scientist, is founded. As defined by Mary Baker Eddy the religion she founded is "divine metaphysics": it is "the scientific system of divine healing"; it is "the law of God, the law of good, interpreting and demonstrating the divine principle and rule of universal harmony." ("Science and Health," pp. 111-123; Rudimental Divine Science, p. 1.)

Again we realize that in the Bible we are taught that healings through others than Christ have occurred. (Mark 16:18.)

Almost every Christian denomination has, in one form or another, a concept that its ministry can be of special assistance to its members in overcoming physical ailments.

We submit this charge is the result of an insufficient and incomplete understanding of concepts of the Activity, and an unwillingness on the part of the Government to concede that it is possible for members of the "I AM" Activity to believe that which is commonly accepted without question, when professed by members and leaders of other Christian faiths.

(6) Precipitation.
(Subdivision 9.)

Subdivision 9 alleges that the defendants falsely represented that the Ballards had a divine and supernatural ability to bring forth from a supernatural state, money, riches and other material needs which power the defendants could transmit to others willing to pay therefor.

This alleged misrepresentation is apparently based upon the fact that the "I AM" belief contains a concept concerning precipitation, both natural and instantaneous. It is strange that the Government should object to this portion of the doctrine of the Activity in view of the fact that almost every Christian belief contains a concept of natural precipitation through faith and prayer and recognizes the accomplishment of instantaneous precipitation in the works of Christ. The common belief in natural precipitation maintained by practically all Christian denominations is practiced by prayers for rain, peace, prosperity, health, etc. Examples of instantaneous precipitation by persons other than Christ are also enumerated in the Bible. The waters of the Red Sea parted at the command of Moses to let the children of Israel through. (Psalm 106:9-11.) Again Moses, by striking a rock with a staff, brought forth water for the Children of Israel. (Exodus 17:5-17.) The walls of Jericho fell as the High Priests blew their trumpets. In I. Corinthians 12, the Apostle Paul teaches that one of the gifts is the precipitation of miracles.

Precipitation as taught by the Activity did not contemplate the accomplishment thereof by the leaders any more than by the students. ("The Voice"—September, 1937, p. 14, Exhibit 29.)

Mrs. Ballard testified that as far as she knew Mr. Ballard never attempted instantaneous precipitation. [R. p. 1148.] She stated that once, at her call, she was able to condense in her hands points of slight substance which she examined under a reading glass and which remained for approximately 20 minutes; that except for that one instance she had never attempted instantaneous precipitation. [R. p. 1148.]

It is noteable that when money was required for the publication of their books they didn't make any pretense of being able to obtain it by instantaneous precipitation, but sought it through natural channels. [R. p. 474—Killen Letters, Exhibit 119.]

The belief is founded primarily upon the tenet that everything in the physical world came into physical form and manifestation by the activity of the law of precipitation; that everything comes out of the invisible octave of life and becomes visible and tangible to our senses, serves for a while and then ultimately dissolves.

> "* * * the Universe is filled with the substance from which all form is produced whether it is your machinery, whether it is your trees, whether it is your bodies or whatever form comes into being. That substance fills the Universe and only requires an Intelligence to bring it into a definite focus, qualify it and give it the picture that it must fulfill, * * * " ("The Voice"—April 1937, p. 9, Exhibit 24.)

It is a further tenet of the belief that upon the attainment of sufficient Perfection upon the part of students and in accordance with the promise of Christ (what I do all men shall do and greater things than these shall ye do

John 14:12), they would be able to accomplish instantaneous precipitation.

Precipitation could not be attained for other than a good and useful purpose and would not be allowed to persons who sought it merely to gratify their own selfish desires, and the students were so taught. ("Unveiled Mysteries," pp. 195 and 196.)

Precipitation, whether natural or instantaneous, is merely a difference in the same activity. In "I AM Discourses," at page 65, it is said (Exhibit 5):

> "* * * When I speak of precipitation in this manner, I do not only mean through the invisible but through any channel, for all is a precipitation; it is only a little difference in activity."

The students were taught that the precipitation which they could accomplish would probably be through natural means. ("The Voice"—March, 1939, p. 11, Exhibit 47.)

It was, however, believed and taught that the students were making progress toward the accomplishment of instantaneous precipitation. ("The Voice"—March, 1939, p. 28, Exhibit 47.) Once Perfection is attained and doubts concerning the ability to accomplish precipitation dispelled, if the feelings of the students are deep enough, there could be precipitated anything proper for them to have. Once they attained such Perfection precipitation of substantial amounts and things could be as readily accomplished as precipitation of lesser things. ("I AM Discourses," p. 64, Exhibit 5; "The Voice"—July, 1936, p. 10, Exhibit 15.)

The Government in its brief extracts brief isolated excerpts from lengthy discourses of the Ascended Masters

as to what has been accomplished by the Masters and what may hoped to be accomplished by students of the I AM upon attainment of sufficient harmony and seeks, contrary to the evidence, to infer that the defendants claim to have accomplished such achievements themselves.

The Ballards made no claims that anything beyond natural precipitation had been accomplished by the students. In fact, a portion of the strife which brought certain students to the Government's side of this case came about as a result of repudiation by the Ballards of unwarranted claims by students of instantaneous precipitation. Discharge or withdrawal of Max Gysi, a Government witness, came about because he insisted upon going about the country claiming that a certain jewel which had been given to Mrs. Ballard by Mrs. Barnard had been precipitated. [Exhibit 103, R. p. 360.] On another occasion the Ballards gave warning to the students that claims of individuals concerning the precipitation of babies were false; that the Ascended Masters do not teach such deception; that everything the Ascended Masters teach is the result of perfectly natural self-evident God-law which everyone can apply when it is explained; and that everything they teach and do is sound, sane, good and true. ("The Voice"—August, 1938, p. 35, Exhibit 40.)

We have, then, a total lack of evidence that the defendants ever made any pretense of being able to accomplish precipitation as claimed by the Government, and there is an utter failure on the part of the Government to show that the defendants ever offered to transmit any information concerning precipitation to others for money. The whole matter reduces itself to a situation where a religious sect taught, under the title "precipitation," a sub-

ject taught and believed in by practically every other Christian sect. After all, didn't Christ teach:

> "And I say unto you, ask and it shall be given you; seek and ye shall find; knock and it shall be opened unto you." (Luke 11:9.)

(7) Cataclysms.

(Subdivisions 12 and 16.)

Subdivision 16 alleges that the defendants represented that a cataclysm or the end of the world was approaching within the life span of persons now living and that it was no longer necessary to provide for the future or to save money, and that the followers of the "I AM" Movement should withdraw their funds from banks, life insurance companies and other financial institutions, and turn said money over to the defendants in the form of love gifts.

Subdivision 12 alleges that the defendants represented orally and by their writings that it was solely by reason of their teachings and their embodiment in the "I AM" Movement, and by their divine power and influence that the United States of America was saved from destruction and that they had been accorded the ability to maintain the sovereignty and general welfare of the United States of America by divine inspiration.

There is no doubt but that according to the beliefs of the members of this Activity cataclysms have occurred on this earth. There is no doubt that they believe that cataclysms will again occur—particularly if the people do not live in harmony and make a conscious effort to attain perfection. However, although the Government is willing to permit practically all other Christian faiths to teach a similar doctrine, when it is taught by the "I AM" then,

according to the Government, it is only so taught for the purpose of frightening people into giving them money. It is part of an effort on the part of the Government to twist each belief and tenet of this religion in one manner or another until they can infer an ulterior motive on the part of the leaders. The existence of past cataclysms and the expectation of future cataclysms is mentioned in the Holy Bible—not once, but on numerous occasions. Of course the most familiar is Noah and the flood. Some of the other instances are as follows: In the Book of Malachi, 4:1-5, it is stated the "earth shall burn as an oven and all the proud and all the wicked shall burn as stubble, but unto you that fear My Name shall the Son of Righteousness arise with healing in his wings and ye shall go forth and grow up as calves of the stall."

In the New Testament, Jesus, in speaking of his second coming, stated:

> "There shall not be left here one stone upon another that shall not be thrown down." (Matthew 24:)

See, also, Isaiah 2 and 24.

The teachings of the "I AM" in respect to the threatened darkness and calamities which will befall humanity are greatly outweighed by the descriptions of the horror and desolation which the Bible teaches will occur in the event mankind does not obey the teachings therein. Will it be said that the average minister today, because he teaches that the above and other cataclysmic occurrences will result from lack of proper living, is doing so falsely and for the purpose of obtaining money? If not, then why is it that the Government should pretend to have the right to make such an inference from precisely similar teachings of the "I AM" Activity?

Let us now examine the belief of this Activity in respect to cataclysms. It is the contention of the Government that a date was set for a cataclysm by the Ballards, or one was said to be expected within the immediate future. The teachings of this Activity are found in the books and in the discourses. We do not find a single instance therein where a date for a cataclysm has been set and anyone has been told to dispose of his property because of such an approaching event. The students called as witnesses by the defendants testified uniformly that no date for a cataclysm was set. [Zimmerman, R. p. 936; Magnuson, R. p. 984; Carter, R. p. 992; Palmer, R. p. 1040; Allen R. p. 1043.] Others heard no statements at all concerning cataclysms. [Chamberlain, R. p. 949; Cahill, R. p. 954; and Boerrigter, R. p. 972.]

Against the record of the teachings of the Activity and against the testimony of the students we have Mrs. Hill testifying that Miss Majerus told her that Mrs. Ballard had told Miss Majerus that a cataclysm was to be expected very soon and that Miss Majerus had suggested that Mrs. Hill keep her money on her person. [R. p. 507.] Miss Majerus denied the statement to Mrs. Hill and, of course, even if Miss Majerus did make it to Mrs. Hill there is no proof that Mrs. Ballard told it to her. There are other bits of alleged similar private conversation upon which the Government will endeavor to rely.

One or two of the apostates who implicitly believed in the Ballards and believed in the doctrine which they themselves taught, suddenly lost belief and attempted to interject alleged private conversations such as to the effect that the Ballards said a certain young couple were foolish to buy a house as the date had been set for a cataclysm.

Now if the teaching that a cataclysm would occur was not taught in good faith, but was taught for the purpose of obtaining money and if, as contended by the Government, Saint Germain and the Ascended Masters were not believed in by the Ballards, but were a tool created by them to obtain funds, then is it not astounding that in a discourse by one of the Ascended Masters the students are not told to sell their property and turn it over to the Activity?

The existence of past cataclysms and the coming of future ones was a part of the belief of these defendants from the very inception of their work. Had the situation been as the Government contends, the matter of cataclysms would have been brought into the Activity after its organization was conceived, and after its propagation depended upon the gifts and contributions of its members. But such is not the fact. Cataclysms are discussed, described and explained in numerous instances in the very first publication "Unveiled Mysteries."

Civilizations are developed, according to the concepts of this book, when groups of mankind come under the instruction of an Ascended Master. They are given an opportunity of seeing the "plan of life" and the perfection which they will attempt to bring forth and live in by their conscious efforts. When they do not understand this, or are lethargic in their efforts, the sustaining power of the Ascended Master is withdrawn and the civilization collapses. ("Unveiled Mysteries"—pp. 189-190, Exhibit 3.)

The self generating and self purifying force within nature will not tolerate such imperfection and rises up to throw off all that disagree with "The Law." (Exhibit 3, p. 47.)

It is also believed that a Golden Age will eventually descend upon the world in which Golden Age the United States will play an important part. Government and all else would attain a state of Perfection. It is further believed that such Golden Age probably will be preceded by some cataclysmic activity.

Indicating that the Activity made no such use of its belief in cataclysmic action as is charged by the Government is the fact that no one was produced who made any pretense of having been defrauded. If such persons existed, was the Government, with its unlimited means of investigation, unable to find them? Certainly it was not unwillingness to expend the necessary funds; when we consider that a witness of the type and character of Wilbur Smith was brought from Florida, apparently no expense was spared.

Most certainly the defendants have not represented, as charged by the Government, that through their divine power and influence the United States was saved from destruction nor that they had been able to maintain the sovereignty and general welfare of the United States through divine inspiration. In substance they merely believed that appeals to the "Mighty I AM Presence" by the students and themselves were most instrumental in preventing catastrophes to the United States and in procuring divine guidance for the servants of the government. They believed that in instances their prayers had been answered.

Consistent with their belief that cataclysmic actions could and would effect the world as a whole under certain conditions, it was believed by the Activity that the United States could likewise be destroyed unless it made an effort to reach a perfect civilization and to play the part which

had been expected of it, as a nation, in the Golden Age, believed forthcoming. As a result it was taught that constant effort must be made to protect the country and to protect the Government; that unless the students were constantly on the alert and decreed for the salvation, protection and perfection of the country, it would be destroyed, as many other civilizations have been destroyed as a result of their lethargy in seeking to accomplish what the Ascended Masters desire.

(8) Divine Inspiration as to Saint Germain's Picture.

(Subdivision 13.)

Subdivision 13 alleges that the defendants represented that one Charles Sindelar had painted the picture of Saint Germain as a result of a visitation by Saint Germain before said Sindelar, and that the purchase of copies of said picture was desirable in order to effect and achieve salvation, when in truth and in fact defendants knew said picture was but a copy of a previously existing picture by Theresa de Carranza.

Charles Sindelar was and is a very able painter who painted, among other things, two pictures, one of Jesus and one of Saint Germain. The picture of Jesus was apparently a very splendid one and it was stipulated that it was approved by a number of the Christian denominations. [R. p. 1060.] According to Mr. Sindelar it was painted by him as the result of twenty-one visitations by Jesus before him, in his room. [R. p. 1060.] Prior to that time he had never attempted to draw any religious subjects. The picture was done in 1929, which of course is before the "I AM" Activity commenced. The likeness of

Saint Germain was painted by Charles Sindelar at the instance of Mr. Ballard. He testified that he made a sketch or drawing of Saint Germain at Los Angeles which he took to San Francisco and showed to Mr. Ballard, who stated: "That isn't Saint Germain at all." Thereupon, while in San Francisco, the Ballards and Mr. and Mrs. Sindelar sat down and called on the "Mighty I AM Presence" to give him some idea of what Saint Germain looked like, and he obtained a mental impression. He started work with that and every time he needed more information they would sit down again and obtain a further mental impression which would last with him while he was working. When the picture was finally drawn Mr. Ballard agreed it was a splendid picture of Saint Germain as he knew him. [R. p. 1062.]

Confusion has arisen on the part of the Government over these two pictures. It is true that it was claimed and strenuously asserted by Mr. Sindelar that the picture of Jesus was the result of visitations. This was not claimed by Mr. Sindelar as to the picture of Saint Germain. The Government bases this claim upon a pamphlet in evidence as Government's Exhibit 97, wherein it is stated that Saint Germain "revealed" himself to Mr. Sindelar. All that is conveyed and all that was intended to be conveyed by that expression was that as the result of the decreeing and calling upon the "Presence" Saint Germain's likeness was revealed to Sindelar. This is best shown by comparing certain notices found inside the back cover in numerous "Voice" magazines, published between February, 1936, and November, 1937. In reference to the picture of Jesus it is said:

> "'A hand colored etching by Charles Sindelar to whom Jesus had personally appeared."

Then on the same page of the magazine, in respect to pictures of the Ascended Master Saint Germain, it is said:

> "A hand colored etching by Charles Sindelar, an exact likeness as He has appeared on many occasions in the Retreat."

The same distinction is found in Exhibit 96 when that exhibit is compared with Exhibit 97, mentioned above. In Exhibit 96, in reference to the picture of Christ, it is said:

> "Jesus came to Mr. Sindelar for 21 consecutive days at two o'clock in the morning *in his* visible body until the painting was completed,"

while in Exhibit 97, in reference to the Saint Germain painting it is said:

> "Saint Germain *revealed* himself to Mr. Sindelar previous to and while he was painting Saint Germain's likeness and He has said that it is splendid."

The Government's contention that Mr. Sindelar copied Saint Germain's picture from a picture by Theresa de Carranza is disproved without argument by merely comparing Exhibit AAA, Sindelar's picture, with Exhibit 201, the Carranza picture.

Mr. Sindelar testified that at the instruction of Mr. Ballard he placed the hieroglyphics and scroll behind the picture of Saint Germain. These are usually found on pictures of Saint Germain and other Ascended Masters. It was never contended that those words or that insignia were a part of the likeness revealed to him.

Theresa de Carranza testified that she painted her picture from her imagination and got the characters from the Priest Egyptian having copied them from the Encyclopaedia Larouse and placed them on the picture because she

thought they were pretty. She testified she did not know who the man was and had never seen a picture like the one she painted. [R. pp. 1068-71.] The Government apparently hoped to prove that as the scroll on the Sindelar picture was the same as on the Carranza picture, one had been copied from the other. It soon became apparent, however, that the scroll is a common one—being of Theosophical origin. [R. p. 1070.]

As far as the charge that the purchase of pictures was desirable to achieve salvation, the truth is obvious that they were merely represented as useful for contemplation in the same manner as pictures and statues are used by other religions.

(9) Promise of Appearance of Ascended Masters. (Subdivision 15.)

Subdivision 15 alleges that the defendants represented that there would be an actual visitation in one or more designated places of the United States of the Ascended Masters, or divine entities, which said divine entities would appear in physical form before the assembly of followers of the "I AM" Movement. It is further averred that as a result of that representation students traveled about the country in expectation of seeing the Ascended Masters, and that when they did not appear the students were lulled into a blind belief that their non-appearance resulted from a lack of harmony on their part.

It was the belief of the Activity that the Ascended Masters would, in time, appear before those of the students who so perfected and harmonized themselves as

to justify their appearance. Saint Germain promised those who were ready and willing to accept instruction:

> "* * * One day I will stand before you in the tangible, visible form, and then you shall see whether I am real or not." ("The Voice," September, 1936, p. 20, Exhibit 17.)

On another occasion he stated that the students would see that he was real

> "when I choose to come forth in my tangible body and talk to you as the Messenger is talking to you now." ("The Voice"—November, 1940, p. 5, Exhibit 197.)

The students were warned that the Ascended Masters desired to come forth but that they could not and would not do so until a certain amount of achievement had been attained and the students had harmonized themselves sufficiently. (Exhibit 104—Group Leader Letter, December 17, 1937.)

The Government seeks to infer from these statements from the Ascended Masters and others of similar purport that they were given by the Ballards and not by the Ascended Masters and that they were given for the purpose of inducing the students to "travel far distances at great expense with the hope and expectation that the Masters would make a physical appearance." It is most unusual the manner in which the Government seeks to continually draw an inference of evil from the profession of practically each tenet and belief of this Activity. This is even more peculiar when we realize that in this case, as in most others, the tenet has a counter-part in the religion of all other Christian peoples and that the

promise of the re-appearance of God before the people is promised in the Holy Bible. Not only is the re-appearance of the Lord promised, but likewise the people are told to be patient—that there is no doubt that it will come about. We quote:

> "Be patient therefore, brethren, unto the coming of the Lord. Behold, the husbandman waiteth for the precious fruit of the earth, and hath long patience for it, until he receive the early and latter rain;
>
> "Be ye also patient; stablish your hearts: for the coming of the Lord draweth nigh." (JAMES 5:7-8.)

Nor is the Christian belief of the appearance of Ascended Beings limited to the distant past. The Shrine of Guadelupe in Mexico is founded upon the appearance of The Virgin Mary before a poor Mexican and the stamping of Her picture upon his cloak, which is believed to have occurred in the year 1531.

The Mormon faith is founded upon the appearance of many Heavenly Messengers before Joseph Smith. (Doctrines and Covenants—and Book of Mormon of the Church of Jesus Christ of Latter-day Saints.) The Catholic Church records numerous appearances of Christ and the Virgin Mary to Saints of the church.

While it is true that some of the students and believers of apparently ample means do attend the classes held in various cities, it was not shown that any of them traveled about in the expectation of seeing an Ascended Master at one of those meetings—nor was there any reason for them doing so. As far as the teachings are concerned, it was not necessary to attend meetings held by the Ballards in order to see an Ascended Master. His appearance depended upon harmony and perfection on the part

of the students and upon nothing else. Furthermore the Government does not even pretend to offer any evidence that any fixed time or place was ever set for the appearance of an Ascended Master.

While it is true the defendants did explain the fact that appearances had not yet been made by the Ascended Masters to be due to lack of attainment of necessary harmony, this most assuredly was not offered as an excuse for failure to appear at any alleged specific time or place.

(10) Forbiddance of Criticism. (Subdivision 17.)

Subdivision 17 alleges that the defendants falsely represented that any person who criticized or questioned the teachings of the defendants would be denounced and punished by the Ascended Masters and that they thereby created fear, confusion and obedience among the followers.

In this Activity, as in any other religion, there existed the opinion and belief that these particular teachings were most helpful and useful for the salvation of mankind. This tenet among religious movements is almost universal. The usual situation is that the particular sect recognizes that others may, by a different course, reach the same ultimate goal, but its members are usually exceedingly sorry for those persons who, having had revealed to them the best means of obtaining salvation, nevertheless doubt or fail to conform.

It may be admitted that the "I AM" Activity was not free from that trait. It too taught that those who were pretending to be students had better never been born than to continue with any deceit toward the work. ("The

Voice"—August, 1939, p. 10, Exhibit 52.) It was also said in a discourse to the students, at page 16:

> "* * * Better had a rattlesnake woven itself in among you than the poisonous breath of doubt. * * * Ones who doubt today and deprive themselves of their freedom in this embodiment will wait a long, long time."

But the reaction of the Ascended Masters toward persons who did nevertheless doubt, was pity rather than denunciation and punishment, as alleged by the Government. Saint Germain stated, in a discourse, to be found in "The Voice" for February, 1936, at page 14 (Exhibit 10) that his heart went out to the few beloved students of the Light who had allowed themselves to temporarily turn aside from the Light,

> "but such is the free will of the individual and we can only call their 'Mighty I AM Presence' into action to protect and bless them and one day again bring them back into this understanding of the 'Mighty I AM Presence' which is their freedom."

We would say that the foregoing is a rather less forceful statement than any of those contained in the Bible. (See quotation in subdivision 3, *supra*.) Furthermore, it is a fundamental tenet of the Activity that the Ascended Masters do not use a destructive force toward individuals. It is taught that vicious forces operating among people will, on some occasions, be turned back upon them to operate to their own detriment; but it is a destructive force created by themselves and brought upon themselves as a result of their activity. ("Unveiled Mysteries"—p. 25, Exhibit 3.)

Where persons are engaged in a particularly vicious activity toward the work Saint Germain has warned them that they will create an entity which will destroy themselves and close the door to the assistance of the Ascended Masters [R. p. 853]; that by such activities they will, unless they call upon the Law of Forgiveness, deprive themselves of their opportunity in the next embodiment. [R. p. 743.]

However it will be observed from the above that although the defendants and students believed that the teachings of the Activity are those best suited to obtain salvation, it was not taught as charged by the Government that those who criticize would be denounced or punished except as to such punishment as would result from no longer having the assistance of the Ascended Masters and the benefit of the Laws.

(11) Promise of Ascension.
(Subdivision 18.)

Subdivision 18 alleges that the defendants represented that if persons would follow the principles, doctrines and precepts of the "I AM" Activity and the teachings of the defendants, that prior to death said persons would achieve the ability to make their actual physical ascension in their physical, tangible bodies and would, in fact, ascend and not die, and during such ascension said persons would have the ability to and would associate with divine entities and Ascended Masters and would, at their pleasure, be able to return from their ascended position to earth and reascend if they so desired; that in fact persons who had accepted the teachings and doctrines taught by the defendants had so ascended.

It would probably astound those who believe that we have religious freedom in this country to be told that an important part of this mail fraud case involved the determination of whether or not the leaders of a certain religious Activity taught that when we die the physical body, as we know it, would ascend, or whether they taught only that the purified portions of the human body would ascend. Yet hundreds of folios of testimony during the trial of this case were devoted to an investigation of the Activity's doctrine and dogma for the purpose of determining whether or not the Activity had, at some time or another, altered its belief with respect to ascension. Nevertheless, in this trial 21 witnesses were examined on this subject; on 65 different occasions in the course of the trial the issue was raised. In addition, numerous tracts were read by the prosecution which related to the subject. This situation would not be so astounding if the prosecution were instigated by some community of religious bigots. But it makes one skeptical as to the progress that has been made in the matter of religious liberty when we find that the instigator is the Federal Government, organized, among other things, to guard and protect the religious liberty of its people. The Government asserts that the defendants *falsely* represented that students would achieve the ability to make a physical ascension and falsely represented that they would be able to associate with Divine Entities.

We believe we are entitled to infer from the fact that the Government charges these representations of ascension untrue, that it can establish what is true in respect to ascension. We hope counsel for the Government will enlighten us as to what kind of ascension is possible. Is

it or is it not possible for persons to make a physical ascension? Ordinarily a person who charges another with false representations has some inkling in respect to the true factual situation.

If we are to have religious freedom then none should be required to come before an arm of the Government and, in effect, *prove* the basis upon which it holds out to its people the hope of a life in the Hereafter.

The Government complains that this particular sect taught that if one attained perfection one could accomplish a physical ascension in one's tangible body after death. In the eyes of the particular United States attorney in charge, to hold out such a hope was to offer more than, in his eyes, was proper. The difficulties he must encounter in determining just what belief regarding ascension be satisfactory must be tremendous.

The Government complains that the Activity's tenets concerning the ascension of students who attain perfection or near perfection was changed on or about December, of 1938; prior to that time the Activity had taught, in accordance with the discourses of the Ascended Masters, that the purified body would ascend. Discords and imperfections melt away. ("The Voice"—May, 1936, p. 13, Exhibit 13.) It was never taught that the physical body, as we know it to exist would ascend—the finer part of the flesh body ascends and is absorbed into the higher mental body—transfiguration from the human into the Divine takes place and all appearance of age leaves the face and body. ("The Voice"—February, 1937, p. 3, Exhibit 22.)

In December of 1938, the Ascended Master Saint Germain gave a discourse wherein it was stated that where-

as in the past ascension could be made only by taking the purified physical body into the higher mental body, through the intercession of certain Ascended Masters, a gift of love was being offered to mankind. This gift is what is discussed in the record as "The New Dispensation." Under it, according to the discourse by Saint Germain, persons not otherwise able to complete the ascension in this embodiment would be able to do so, the purified essence of the physical body being turned into the etheric body. In that case the outer structure—the discord—of the human form remains on earth. ("The Voice"—December, 1938, p. 5, Exhibit 44.)

The defendants made no representations that the physical body, in its ordinary state, would ascend. It was always taught that it was merely the etheric body, composed of the finest of the physical substance. ("The Voice"—March, 1940, p. 33, Exhibit 59.)

In any event we respectfully submit to this Court that whether these defendants taught that the physical, tangible body ascended or whether they taught that an etheric or spiritual body ascended, a representation of a religious sect in relation to that subject is not a proper basis for a mail fraud indictment!

We have now discussed with as much particularity as the length of this brief permits, each and all of the representations upon which the Government relies in its indictment. Throughout the trial the Government continually sought to infer that because financial assistance was obtained by the sale of books in the course of the Activity and from love gifts, the Activity was not a *bona fide* religious organization, but a scheme on the part of the Ballards to defraud the public.

Of necessity there must be a certain amount of commercialism in connection with every religious activity in order for it to remain active and to promulgate its faith. It is a matter of judicial cognizance that some religious sects have become financially powerful and wealthy and have become the owners of vast amounts of land and property. No church can sustain itself, carry on the missionary work which all deem imperative, without having, as a part of its plan, a financial organization capable of supporting those activities. Millions of dollars worth of assets are held by churches throughout America which are not used for religious purposes but are none the less exempt from taxation by many of the political subdivisions and in order to assist in the maintenance of the religious work. This right of a religion to collect funds in the propagation of its faith has been recognized by the Supreme Court as an integral part of the right to freedom of religious worship. (*Jones v. Opelika, supra.*)

For a church or religious group to make a profit on its activities does not in any wise raise an inference that it is not proceeding in good faith. During argument in the trial court, counsel often stated that Jesus, in His lifetime, did not do thus and so in respect to financial matters. This is an argument which could be leveled at all but a few of the religious sects existing in this country. History and experience, however, have taught that this is not a bad condition but rather a good one, and religion has been fostered and propagated with much greater rapidity where financial means are available for that purpose than is otherwise possible.

Notwithstanding the Ballards were the leaders of the Activity, there were no direct means existing for their

maintenance or with which to carry on the activities connected with the organization. The expenses were not light. Mr. Crouse, a Government witness, testified that the staff which went with the classes numbered 12 to 13 persons. [R. p. 584.] He also testified that approximately 14 classes, lasting about ten days, were held during each of the years 1937, 1938 and 1939. [R. p. 562.] During those classes and for the considerable period between them the organization was maintained entirely through love gifts received at the classes or from groups and from the sale of books and religious articles. The groups throughout the country maintaining the sanctuaries and reading rooms were under no obligation whatsoever to contribute one dime to the organization, and they made no accounting or payments to the Ballards. [R. pp. 817, 465, 1010, 994, 991.] Of course if a student desired to give the Ballards a love gift through the group, such gifts would be forwarded, but otherwise, as Mr. Crouse put it:

> "* * * The groups were not required to turn anything over to the Ballards, except that they paid for the books and paid for their transcription records, and so on. No dues or initiation fees were charged at the group meetings." [R. pp. 584-5.]

In fact, no dues or initiation fees were charged at *any* meetings or classes, or at all.

If the Government were correct in its contention that the Activity is a fraud to permit defendants to take financial advantage of its members, one would expect surely to find a carefully compiled and fully indexed list of students who could be fully and carefully exploited by the defendants. It is significant, therefore, in view of the Government's contention, to find that no list of the

students of this Activity was ever kept by the Ballards. Mr. Sieber testified in connection with a request made by him of the Ballards for a list of the students:

"* * * I got word back that they didn't keep a list of students." [R. p. 328.]

There is no dispute in the record on this point either.

We do not understand the Government's objection to members of this particular Activity contributing directly or through the purchase of books to the maintenance of their leaders and of their organization. Money is constantly requested of the members in every religious denomination. Few, if any, fail to pass a collection box at least once during services—some more often.

The Bible teaches we should give one-tenth of our earnings as tithing to the House of the Lord. (Malachi, Chap. 3, verse 9; Leviticus, Chap. 27, verse 32.)

In the Catholic church at least one collection is taken each year from churches all over the world for support of the Papal state.

Nor is it uncommon that heads of a religious sect should be supported comfortably rather than niggardly. This seems to be a matter of the ability of the particular sect to supply the means, rather than any dogma that the support should not be generous. For instance, the minister of one congregation of one denomination located in the City of Los Angeles received a salary of $16,000.00 per year. (Time Magazine—August 3, 1942.)

According to Mr. Crouse, the average gift per person at classes was approximately the sum of 8¢. From the gifts, not only the traveling and living expenses of the

Ballards had to be paid, but the rental of the auditorium and incidental expenses. Mr. Crouse testified:

> "Sometimes the expenses of conducting the classes was greater than the amount received from love gifts." [R. p. 584.]

We do not wish to be understood as representing to the Court that this was generally true, as such is not the case. Assuming the student purchased a set of books for $15.00, or whatever they cost, and subscribed to "The Voice," in which the organization had no direct financial interest, and contributed to his particular group, his total contributions during the year (all of which would be entirely voluntary, as pointed out hereinafter) would certainly compare very favorably with that expected by other denominations. It would be far less than the tithing sanctioned by the Bible and expected by some denominations.

What was done with the money received by the Ballards? Do they have large accumulations invested in other ventures? One would surely surmise so by the position of the Government. But the record in the case is directly to the contrary. Mrs. Ballard stated that all money received was used in the promulgation of the Activity. [R. pp. 1140; 1136.] The Government never proved, either directly or by inference, that that statement of Mrs. Ballard is not absolutely true and correct. The witnesses called by the Government testified in support of that statement. Mr. Rogers, a Government witness, stated that it seemed to him that the money received was used in the promulgation of the religion. [R. p. 375.]

Originally the meetings held by the Activity were open, but, as they were molested and interfered with by various persons, and the meetings disturbed, they asked those who

wished to attend to sign what is called "Condition of Acceptance" [Government Exhibit 87] of the teachings. We wish to quote certain portions of that document.

> "At no time is there ever to be a price set upon them (referring to teachings) or money to be connected with them in any way. THE LIGHT NEVER WAS AND NEVER WILL BE BOUGHT BY ANYONE'S DOLLARS."

Mrs. Ferguson, a Government witness who, with her husband, had been a group leader in the Activity, considered the "Conditions of Acceptance" so severe in respect to money matters, that it would tend to prevent the Activity from receiving sufficient money for its support and maintenance. [R. p. 860.] In a pamphlet entitled "I AM Group Leaders' Instruction" [Exhibit 67, p. 13] it is stated, under the title "Financial Regulation":

> "Under no circumstances ever ask for money. Do not send out letters asking people for money or assistance of any kind. Saint Germain said in the beginning that this Teaching must never be commercialized for private profit. Do not allow the Student body to be preyed upon by any commercial activity for any reason at all. Do not ask for a dime."

Under "Instructions to Group Leaders", dated January 3, 1939 [Exhibit 186], under the title "Finances", it is further stated:

> "Never under any circumstances is any fee to be charged for anything done as a part of the 'I AM' Activity. Never at any time are any money schemes to be used for the support of any Group Activity * * * Under no circumstances may any request be made for money. Love Gift boxes may be placed

where it is convenient for the students to use them, but never should COLLECTION be taken for any purpose."

The foregoing express the steadfast policy of the Activity.

Nor was anything shown in respect to the personal conduct of the Ballards of a substantial character to indicate that the Ballards were not in good faith in their propagation of this religion. As stated above, notwithstanding the charge of the Government that defendants represented that they were selected by reason of their exemplary character (which, incidentally, we have shown is not a true statement of the belief of the defendants) the Government wholly failed to prove conduct on their part which was not upright and proper. It is significant that they have devoted their entire time for a number of years exclusively to this work. In other words, they have adopted it as their life work. Through one means or another the Government obtained possession of considerable correspondence written by the defendants to persons intimately connected with them. If, as contended by the Government, the Activity was a fraud upon the public, one would expect to find therein numerous damaging statements to the effect that the whole matter was a fraud and details of the devious methods the conspirators expected to employ in the consummation of it. Certainly, this correspondence was not written for the benefit of the public. It was private correspondence, written in some cases from a mother to her son. In such we should find the real thoughts of these people and what they really believed.

First, let us consider correspondence between Mr. Ballard and Harry Sieber. It will be recalled that Mr. Sieber

was the person who originally suggested the idea of holding classes outside of Chicago and throughout the East, made arrangements for the holding of those classes, and made all necessary financial arrangements.

In a letter written by Mr. Ballard to Mr. Sieber on September 16, 1934 [Exhibit 69, R. 274], after stating that they were still making an effort to obtain sufficient funds to publish "The Magic Presence" and the next edition of "Unveiled Mysteries", Mr. Ballard states:

> "* * * It will come from the right channel which the 'I AM PRESENCE' knows."

The letter to Mr. Sieber concludes with the following:

> "We enfold you and your blessed family in our deepest love and blessings and all the good the 'MIGHTY I AM PRESENCE' holds and we know only that 'MIGHT LIGHT' does everything through us all to manifest the Fullness of Its Perfection and Plan.
>
> "Lovingly in the Presence and Service of the Mighty I Am,
>
> G. W. Ballard."

On September 30, 1934, Mr. Sieber received a letter from the Ballards. After stating therein that he is confident Sieber will be guided unerringly by The Presence and by the Ascended Masters, Ballard states further:

> "* * * This is an invincible, All-powerful 'Presence' that moves before you with a sceptor of dominion that clears the way and is the 'LIGHT OF GOD THAT NEVER FAILS'." [Exhibit 71, R. p. 279.]

Other letters are of like import. [Exhibit 88, R. p. 312.]

The letters from Mr. Sieber to Mr. and Mrs. Ballard are in like tenor. They likewise disclose the desire on his part to spread the teachings of the "I AM" as rapidly and as far as possible.

In a letter written to the Ballards by Mr. Sieber on September 19, 1934, he concludes as follows [Exhibit B, R. p. 323]:

> "With all the love in the world and in happy service to the Mighty I AM Presence, and asking only to be used more and more each day in this Mighty I AM Service,".

In another letter [Exhibit C, R. p. 325] he states in part:

> "* * * I feel that I know so many souls who are just aching to get what you have to give and that they should have it. I feel that this wonderful work should be spread faster and I believe and feel I could do a lot to help in that respect."

It was in that letter that he asked the Ballards if it would not be possible and advisable for them to travel from city to city "spreading this truth which is so mighty and great". He concludes the letter with the following:

> "The basic thing I am interested in is getting before as many good souls as quickly as possible the wonderful message you have to give."

We turn next to correspondence which is of a more intimate nature, and which correspondence took place at about the time the Government maintains that the conspiracy was forming. They are the so-called Shasta letters, written by Mr. Ballard to his wife. Certainly, by no stretch of the imagination were these letters written for

public consumption. In a letter written by Mr. Ballard over his pen name "Ray" on August 11, 1930 [Exhibit 203, R. p. 844] he states that as he reads Volume 2 of Spauldings he finds it more and more wonderful. He states that he had been reading and had gone down to the store; that when he returned, the book was open at a point several pages from where he had been reading and at a page where occurred the statement "All are inspired by God, when that inspiration is for good or right, and all can be inspired by God at all times if they only will." He states concerning the incident:

> "So I know it was a direct message to me. It is so ridiculous to think the Almight . . . . God in us cannot do instantly what ever we desire to do that is good. It is all a matter of concentration & Stillness."

In a letter written on September 29, 1930 [Exhibit 203, R. p. 845] of a similar nature, he states that a certain message contained in a lecture was:

> "* * * a direct message to me, Through the eyes of Spirit—perfect vision—I behold all things and Persons as they exist in Truth.
>
> "In Unveiled Mysteries, I sure have been doing just that."

On October 1, 1930, he wrote to his wife as follows [Exhibit 203, R. p. 847]:

> "* * * I have Just taken down three typed pages of the most marvelous words ever uttered it seems to me by the Being who Officiated there Sixteen Thousand Years ago, I think this is the place once intimated to us, I began this morning and dident stop until after three—dident dare to stop less I loose the connection it is simply marvelous."

The above is stated by him concerning certain experiences on the Madiera branch of the Amazon.

In a letter of September 4, 1930 [Exhibit 203, R. p. 848] he states concerning certain experiences set forth in Spaulding's books:

> "* * * Gee how like mine was his experience, yet notice how he says the great law vindicated him, its wonderful."

We turn next to letters between Mrs. Ballard and her son. On May 1, 1937 Mrs. Ballard wrote to her son concerning some intemperate statements apparently contained in the boy's letter and concerning a criticism that Donald had made of the 100% pledge to be signed by members who desired to sign it. Concerning the contents of the letter written by the son, Mrs. Ballard states [Exhibit 151, R. p. 598]:

> "Saint Germain was so shocked when he read your letter that he is considering a very serious move concerning you."

In regard to the pledge she states [R. p. 599]:

> "Please know Donny Dear that the pledge that the 100% groups are to sign has been inspired and made necessary by the call of the students for the tangible Presence of one or more of the Ascended Masters. The Great Divine Director brought it about because of certain Inner work He Wants to do for the protection of America."

Is it not most peculiar that a person the Government has convinced a jury did not believe the things they taught, would write the following:

> "Please make your peace with your Presence and Saint Germain before it is too late to remedy it in this embodiment. I hope you will not waste all that I have tried to do for you in this Lifetime, not to mention what Saint Germain and Daddy have done." [R. p. 600.]

On November 13, 1939, Mrs. Ballard wrote a letter to her son and daughter-in-law, Marjorie, and Marjorie's mother and Louise Majerus. She states in that letter the following concerning a class which has just closed [Exhibit 153, R. p. 604]:

> "* * * We had the most marvelous class in our history and when we closed last night the love was so great the entire audience kneeled to the Light as we came in. I thought my heart would burst with the out-pouring of Light to the students and the desire to help them. There never was a class like it and Saint Germain said it was the most successful class of all so far as their work was concerned."

We ask the Court to note also the balance of that letter, indicating confidence and belief in the calls, precipitation and ascension. [See Appendix, p. 7.]

Clearly the Government wholly failed to prove the lack of good faith of the defendants by the introduction of the foregoing letters. They constitute abundant proof to the contrary.

In considering the evidence introduced by the Government to support the indictment, we have discussed as many of the tenets of the Activity as is practicable here. We feel it is clear from what has been said that the Government in making its charges was in many instances acting under a lack of understanding of the tenets involved. The Government's position is, in effect, if ascension is taught by one of the older religions it is proper; if taught by the "I AM" Activity it is a scheme to defraud. In other words, the obsession of the Government is that each tenet of the "I AM" Activity was conceived for the purpose of alluring and defrauding members. It is significant to note in this connection that there are one or two other rules and tenets of the religion which the Government does not emphasize—to wit—abstinence from the use of tobacco and alcoholic beverages and over-indulgence in sex. If the tenets and rules of conduct of the Activity were conceived in bad faith, and taught in bad faith for financial gain, why were such doctrines of self-restraint and self-denial included therein? We hope the Government will enlighten us as to why this Activity, which it has so glibly denominated a scheme to defraud and whose tenets are based solely upon their allure, has, as its basic doctrines, restraint, denial and exemplary conduct.

The Government's case in its entirety is predicated upon inferences which it seeks to draw that certain of the tenets of the Activity were included therein as part of a fraudulent scheme. These inferences are no more deducible as

pertains to the "I AM" Activity than would a similar inference be deducible as to other older and more established religions preaching similar beliefs. Such is not the evidence which will sustain a criminal conviction, for it is the settled rule that:

> "Unless there is substantial evidence of facts which exclude every other hypothesis but that of guilt, it is the duty of the trial judge to instruct the jury to return a verdict for the accused, and where all the substantial evidence is as consistent with innocence as with guilt, it is the duty of this court to reverse a judgment against the plaintiffs in error."
>
> *Nosowitz v. United States* (Second Circuit), 282 Fed. 575 at 578.

See, also, to the same effect;

Hart v. United States (Third Circuit), 84 Fed. 799;

Garst v. United States (Fourth Circuit), 180 Fed. 339;

Donahur v. United States (Eighth Circuit), 39 Fed. (2d) 325;

Benn v. United States (Ninth Circuit), 21 Fed. (2d) 962;

West v. United States (Tenth Circuit), 68 Fed. (2d) 96.

ARGUMENT V.

Improper Argument and Remarks of Counsel Would Require a Reversal of the Judgment of the Trial Court.

Defendants assigned as error herein the action of the District Court in allowing and permitting the counsel for the Government to make inflammatory, prejudicial and improper remarks before the jury. [Assignments 13 and 32; R. pp. 194 and 206-7.] At virtually the outset of the argument by the Government, Mr. Lazarus, one of Government counsel, stated to the jury:

> "The Government claims in this case though, gentlemen, that this Ballard racket, as we might refer to it now in argument, is a flim flam scheme that has been unparalleled in history. These defendants here have been the most successful fakers in the knowledge of the history of fakery, and I think that is a tribute to the principal organizer, Edna W. Ballard." [R. pp. 1178-9.]

Defense counsel attempted to prevent argument of this character by objecting to the foregoing statement. However, the trial court, instead of sustaining the objection, stated he intended to allow the fullest argument on either side and his ruling was such as to make it apparent it would have been futile to have made further objections when counsel for the Government indulged in like arguments. In view of the statement of the court [R. pp. 1180-1181], further objection would undoubtedly have appeared to the jury to be not only improper, but impertinent. That to do so may create prejudice rather than remove it is recognized in *London Guarantee v. Woelfle*, 83 Fed. (2d) 325.

Undoubtedly the leading case on the necessity of making objection to improper argument of counsel is *New York Central R. R. Co. v. Johnson*, 279 U. S. 310, 73 L. Ed. 706. In that case it is held that litigation, even private litigation, is a matter of public importance in which the state has an interest to see that the trial be fairly and impartially conducted; that such public interest requires the Court, of its own motion, to protect suitors in their right to a verdict uninfluenced by appeals of counsel to passion and prejudice.

To the same effect see:

Pierce v. United States, 86 Fed. (2d) 949;

Volkmor v. United States, 13 Fed. (2d) 594;

Rouse v. Burnham, 51 Fed. (2d) 709;

Kasson v. United States, 87 Fed. (2d) 183;

London Guar. etc. Co. v. Woelfle, 83 Fed. (2d) 325;

Chicago etc. v. Kelly, 74 Fed. (2d) 31;

Aetna Life Ins. Co. v. Kelly, 70 Fed. (2d) 589;

Union Elec. Light etc. v. Schneider Est., 65 Fed. (2d) 297.

In the last named case the Court states at page 302:

"The trial judge should be vigilant to protect suitors in their right to a verdict uninfluenced to improper remarks and appeals to passion and prejudice."

In the case at bar the misconduct of the prosecuting attorneys was not limited to the arguments but includes other actions during the trial. The misconduct was such that harm had been done which admonitions would not have been sufficient to cure. Under such circumstances

a defendant is entitled to reversal irrespective of an objection and notwithstanding that the jury is instructed and counsel reproved. (*Volkmor v. U. S.*, 13 Fed. (2d) 594.)

We now proceed to consider what constitutes proper and improper argument.

It is said in *London Guar. etc. Co. v. Woelfle*, *supra*, 83 Fed. (2d) 325, at 342:

> "In the trial of cases to a jury in the Federal Courts the arguments of counsel *must* be confined to the issues of the case, the applicable law, the pertinent evidence and such legitimate inferences as may properly be drawn therefrom."

Concerning the duty and obligation of the prosecuting attorney in a criminal case, perhaps the best statement is to be found in the leading case of *Berger v. United States*, 295 U. S. 78, 79 L. Ed. 13, 14 S. Ct. 629 (p. 88):

> "The United States Attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor—indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one.

"It is fair to say that the average jury, in a greater or less degree, has confidence that these obligations, which so plainly rest upon the prosecuting attorney, will be faithfully observed. Consequently, improper suggestions, insinuations and, especially, assertions of personal knowledge are apt to carry much weight against the accused when they should properly carry none."

We wish to point out that the actions of the Government attorneys were not merely inadvertencies occurring in the heat of argument which is, as has been said, sometimes excused on that ground, but for the most part constitute a studied effort to accomplish the result which we believe was actually accomplished, to wit, a miscarriage of justice. They ran the gauntlet of arguments which has been held time and again to be improper. They may be grouped as follows:

(a) Denunciation of the defendants;

(b) Seeking, through argument, to create a prejudice on the part of the jury against the defendants;

(c) Warnings that a conviction is necessary to prevent further law violations.

(d) Improper suggestions, insinuations and assertions of personal knowledge by counsel.

Referring to group (a), the denunciation of the defendants did not stop with the original statement set forth above to the effect Mrs. Ballard was a flim flam faker, but rather counsel seemed to have been encouraged by the failure and neglect of the Court to reprove such misconduct at the outset. Mr. Neukom, in discussing the teachings of the Activity concerning the retention and regain-

ing of energy by right living, stated to the jury that if the defendants believed that by proper living and proper faith a person 60 years of age may regain the fullest bloom of youth and

> "* * * you can't make it work on yourself, you can't keep yourself from dying—you can save everyone else in the world but your religion isn't good enough for you—then you are a falsifier—and if the word rings, I don't care—*you are a cheat, you are a charlatan, and you are a religious racketeer, and I mean it.* I haven't just tried to throw words at you; I have given you evidence." [R. pp. 1540-41.]

They were called fakes and frauds a third time [R. p. 1283; see also p. 1267] and counsel constantly followed the name or reference to Mrs. Ballard with the words, "glib", or "adept prevaricator." [R. pp. 1244-5; 1318.] A trial is in no sense a name calling contest. A prosecuting attorney is not performing his duty to protect the rights of a defendant when he goes before a jury and calls the defendant "the most successful faker in the history of fakery"—"A cheat", "a charlatan" and "a religious racketeer." But entirely aside from that, we ask the Court to consider the last mentioned remarks in the light of the statement which precedes them. The defendants are cheats, charlatans and religious racketeers if they cannot obtain visible and physical proof of their teachings upon their own person. *The ring of that statement is faintly familiar. Isn't it about what was said of Christ while He was on the cross—that if He was the Son of*

God he should come down and prove it! In describing Christ's crucifixion, while He was on the cross the elders, taunting Him, cried: "He saved others; Himself He cannot save. If He be the King of Israel let Him now come down from the cross and we will believe Him." (Matthew 27:42.)

Similar denunciation has uniformly resulted in the reversal of verdicts. In *Volkmor v. United States*, 13 Fed. (2d) 594, the prosecuting attorney called the defendant a "skunk"—"A weak faced weasel", "a cheap, scaly, slimy crook". The judgment was reversed upon the ground of improper argument of counsel. The error was considered so serious as to have affected the minds of the jury, despite attempted correction by counsel and Court.

In *Rouse v. Burnham*, 51 Fed. (2d) 709, the plaintiff's attorney called a physician a "crooked doctor", stated that another one of the defendants had "all the earmarks of a common, ordinary, enthusiastic liar" and referred to parties as "rascals and scoundrels". Concerning the foregoing, and statements of a less vitriolic nature, the Court states:

> "* * * Conduct of plaintiff's counsel was not only improper, it was reversible error."

In *London Guar. etc. Co. v. Woelfle*, 83 Fed. (2d) 325, at 339, the verdict was reversed for remarks of counsel, the most serious of which was a statement that the doctors for the insurance company "stood there like a bunch of sharks * * *"

In the course of the argument counsel made other demands for physical demonstration of the efficacy of the

defendants' teachings concerning the supernatural. In one instance counsel combined with such demand an argument intended to arouse prejudices by reference to losses by poor persons. Counsel stated:

> "* * * and I submit, gentlemen, that if it is such that the Ballards, as the accredited messengers of the ascended masters, those mighty people who have never made any mistakes, those perfect beings, should have been able to precipitate and should have been able to precipitate some of their needs instead of taking money from poor people who had given much more than frequently they could afford to this movement through love gifts and through the purchase of books."

The same argument used concerning regaining youthful energy was used in connection with precipitation—that the defendants were cheats and frauds unless they could produce by physical demonstration proof of the things they taught. One of counsel for the Government argued as follows:

> "Betty Mundy has no doubt, Louise Majerus has no doubt, Donald Ballard is one of the accredited messengers of the ascended masters, and he certainly has no doubt, and Mrs. Ballard, as the big-wig, the chief, of the entire organization, certainly could have no doubt whatsoever—to say nothing of William Cassiere and Paul Stickell, those traveling salesmen for the Ballards, *they certainly would have no doubt —yet, gentlemen, have they managed to precipitate gold or jewels? If they have, I submit that we should have been told about it here in court. Possibly we should have had an example of such precipitation shown us.*"

At a later point counsel stated concerning one of the members:

> "* * * He himself had not been able to precipitate, apparently because he was not sufficiently pure. That same dog chasing that same tail. And yet Paul Stickell was sufficiently pure to be appointed a messenger of Saint Germain."

We see in this example again an attempt on the part of Government counsel to convince the jury that inability of the defendants to give physical demonstration by a supernatural sign of their religion was proof of fraud. We submit that such form of argument concerning tenets of a religion is palpably erroneous.

Referring to group (b) above, we wish next to consider statements of counsel, which were made for the purpose of creating prejudice. In this case, perhaps, more than in any other, the prosecuting attorneys should have made it a point to conduct themselves with the utmost of decorum and tried the case in a dispassionate, dignified and orderly manner. *Of all cases where prejudice may be most readily created, religion* is in the forefront. Consequently, a special duty rested upon the prosecution in trying the case at bar. Did they fulfill it? Was their conduct such that the defendants had a fair and impartial trial, or did the prosecutors, by holding the defendants' religious beliefs up to ridicule at every opportunity create such prejudice against them whenever possible and, as a result, cause the jury to lose sight of the real issue? In considering what occurred we must bear in mind that at the very outset the defendants were given to understand that their religious beliefs were not matters for the consideration of the jury. The attack

on the religious beliefs permeates the whole argument and we, of course, can only point out the more salient examples.

We first call the Court's attention to the interrogation of Mrs. Ballard on cross-examination. Mr. Lazarus, while asking Mrs. Ballard concerning the Activity's belief, said [R. 1155]:

> "Have you ever read Grimm's Fairy Tales, Mrs. Ballard?"

Later, in the same examination, while the possibility of cataclysms in this portion of the country and the possibility of preventing such calamities by prayer and right living on the part of the people was being discussed, Mr. Lazarus asked the question [R. 1160]:

> "Mrs. Ballard, were you around San Francisco during the earthquake of 1906?"

The questions were directed solely for the purpose of ridicule. During the argument, the prosecution went to greater extremes in ridiculing the beliefs of the defendants.

In discussing the ascended master Saint Germain before the jury, Mr. Neukom stated:

> "Now, this is Saint Germain talking—Saint Germain—Mrs. Ballard's Charlie McCarthy, the most convenient thing you ever saw." [R. 1503.]

On another occasion, Mr. Lazarus read from the May, 1936, issue of "The Voice" (Exhibit 13), as follows:

> "All should understand that when one had made his ascension he becomes a Wholly Perfect Being of such Purity and Radiance that all who contact him

realize that he is superior in every way to all other beings. He can 'take his body anywhere he desires instantly' * * *

"* * * the gravity pull of earth can no longer affect it. The body rises in the atmosphere and follows the thought, going instantly wherever the individual desires. By proper application the individual can release into and through his body the Light needed to increase the vibratory action to the point where the body can rise into the air and become invisible or visible as the Ascended Masters are able to do.'"

He then stated:

"That sounds as though it came from Donald Ballard and his 'Popular Mechanics.'" [R. 1237.]

Mr. Lazarus insisted on comparing the teachings of the Activity to the antics of the characters in the funny papers. At page 1237 of the Record, in discussing ascension, he stated concerning it:

"* * * you just sort of rise up in the air and would be able to come back and forth as you desired, become invisible or visible, as you wished. Superman does that frequently, and it is a very interesting and exciting sort of thing. * * *"

Counsel for the Government apparently believed it to be a very effective form of mockery and ridicule to compare the religious characters in this religion to the characters in the funny paper. It will be found that Government counsel again stated to the jury [R. 1211]:

"We find it is very much related to Superman and Flash Gordon in the funny papers. Incidentally,

> they are two of my favorite comic strips. I am sure many other people have read those. Especially K-17 reminds me of Superman."

We agree that such argument is indeed effective. The question, however, is whether or not it is permissible. If in the trial of one believing in any one of the dominant Christian religions more firmly established, such statements were made concerning the ascension of Jesus, the error in so doing would be so apparent as not to require comment. Yet, if this religion is entitled to the equal protection of the law, what possible excuse can there be for arguments of the character made? Certainly, it should not be the rule in our courts that such statements when made in reference to the religion of the majority shall be considered blasphemous, but if made concerning a minority sect, they will be countenanced as proper zealousness of counsel for the Government.

It is error to make an argument which seeks to create a sectional, racial or religious prejudice: *New York Central R. R. Co. v. Johnson, supra; London Guar. etc. Co. v. Woelfle, supra;* or against a party because it is a large corporation: *Metropolitan Life Ins. Co. v. Banion,* 106 Fed. (2d) 561; *London Guar. etc. Co. v. Woelfle, supra.*

Counsel also resorted to the "widow and orphan" argument so often condemned by the courts. Mr. Lazarus stated [R. p. 1223]:

> "Few are villains enough to bilk and defraud those who are ailing spiritually and physically by telling them untruths throughout but I think, gentlemen, in this case we will find these defendants have been doing just that." (Recess.)

"Mr. Lazarus: Gentlemen of the jury, when we took up our recess we were about to discuss the subject matter of healing. We have gone into the experience of Margaret Huntley Schall who had given over a thousand dollars to this movement and originally was interested in an attempt to heal her husband's blindness. To the Government that is one of the most pitiful sides of this case."

It has been held in the following cases, and in many others, that arguments endeavoring to arouse prejudice by mentioning poor people who are alleged to have lost their money are erroneous.

London Guar. etc. Co. v. Woelfle, 83 Fed. (2d) 325;

Beck v. United States, 33 Fed. (2d) 107.

The foregoing argument was doubly improper in that Mr. Lazarus would have the jury think, contrary to the evidence, that Mrs. Schall contributed her money in the hope of healing her husband. This was not true in any sense. While she became interested in the Activity, as she had become interested in others, by reason of her husband's ailment, her husband was killed approximately two months after she first heard of the Ballards and her interest in the Activity and her contributions to the Activity, for the most part, commenced and continued thereafter. [R. pp. 395-6.] We have not quoted all of the argument above wherein Mr. Lazarus sought to arouse prejudice against the defendants by creating pity for Mrs. Schall along the same general lines. [See R. p. 1222.] Furthermore, there is no evidence in the case that those spiritually and physically ailing were bilked. No witnesses were introduced by the Government to so testify

and as we point out herein the testimony was uniformly to the contrary. (See Sufficiency of Evidence: "Healing" above.)

We quoted above an argument of counsel wherein counsel stated that they should have precipitated their needs instead of taking money from "poor people who had given more than frequently they could afford to this movement." It is likewise true in this particular that not only was the argument improper in any event, but it was highly improper in view of the lack of evidence to support any statement that poor people had given more than they could afford.

(c) Warning That Conviction Is Necessary to Prevent Law Violations.

It has been held improper to argue that to free a guilty man is "simply a red flag, you might say, to others engaging in law violations," and that to do this would "add flame to the already wave of crime that is sweeping the country." (*Turk v. United States*, 20 Fed. (2d) 129, at 131.) Concerning this type of argument the Court states:

> "* * * It is as fatal to a fair trial and a lawful conviction of a defendant by a jury that their verdict was for a wrong and unlawful reason as that it was caused by incompetent evidence or an erroneous charge."

See, also, to the same effect: *United States v. Sprengel*, 103 Fed. (2d) 876. This error in argument occurred in numerous instances. On one occasion Mr. Lazarus stated:

> "Let your verdict be a warning to those people who would be religious racketeers. Let's clean out

the money-changers from the temple. Let's let people know that whenever they go to worship their Maker, *their God Almighty*, that they are not in the clutches of those who would deceive them for their money under the false and fraudulent representations." [R. p. 1521.]

Again he stated:

"I want this part of the United States to no longer be the part that people more or less smirk about because of some ideas when people go forth and try to defraud someone under the name of God Almighty." [R. p. 1538.]

After conceding to the jury that they had the right to acquit the defendants if they felt they should do so, Mr. Neukom stated:

"* * * but I feel, and I would like to have you feel so, too, that your verdict be a warning to those who use false representations on the subject matter of religion as a means for their own personal gain." [R. p. 1544.]

After reading from an article in "The Voice" magazine wherein it is stated that the teachings of the "I AM" in the Western world would be through the Ballards, Mr. Lazarus stated:

"That almost makes you wonder who has the eastern rights if the Ballards have the western rights. And I assure you, gentlemen, if these defendants are found not guilty in this case and let off free, there will be many, many applications for the eastern rights." [R. p. 1213.]

Counsel urged a conviction to preserve our country for our fighting men. He stated:

> "You gentlemen are trying this case—this important case I might add—in very unusual times. The country is at war. And a case of this sort makes it devolve upon you here to see that the defendants are convicted if you find that they are guilty of fraud so that those who are fighting for our country will find that they have something to come back to worth fighting for." [R. p. 1324.]

See also R. pp. 1182-3.

(d) Improper Suggestions (Insinuations) and Assertions of Personal Knowledge by Counsel:

In the case of *Berger v. U. S., supra,* this Court held that because of the confidence which the average jury has that the prosecutor will perform his duty, improper suggestions and insinuations, and especially assertions of personal knowledge are apt to carry much weight against the accused when they should carry none. This same proposition is stated by Justice Roberts in the dissent in the case of *U. S. v. Socony Vacuum Oil,* 310 U. S. 150, as follows:

> "One of the most reprehensible things a prosecutor can do is to attempt to put into evidence before the jury his own, and his colleagues', opinion as to the guilt of the defendants he is prosecuting. Such a practice brings before the jury the unsworn testimony of a sworn officer of the Government. This fact lends it undue and improper weight and injects an element into the case which is so insidious and so

impossible to counteract that trial judges, in my experience, have never hesitated to withdraw a juror and declare a mistrial because of this violation of the canons."

While the majority in that case were of the view that the misconduct of counsel did not require reversal, the decision of the majority is not a departure from the rule laid down in the *Berger* case, the majority, or minority, merely differing on whether or not, in view of certain existing circumstances the misconduct constituted reversible error.

In *Minker v. U. S.*, 85 Fed. (2d) 427, where counsel offered to the jury his personal opinion on certain of the facts in the case, the court followed the decision in the *Berger* case, stating:

"We think the entire tenor of the prosecuting attorney's statements was decidedly and unfairly prejudicial."

In addition to the errors of counsel heretofore pointed out, counsel on numerous occasions offered their personal opinion on matters involved and not involved, and, in fact, in one instance one of Government counsel offered his unsworn testimony. He stated [R. p. 1242]:

"Now, what a cosmic light is, *I don't know*, but it sounds like a cataclysm to me. *And I know I was* here in Los Angeles on July 1, 1938, and July 17, 1938, and, cataclysm or not, *I know that* there wasn't any great wave of cosmic light striking at the Shrine Auditorium or any other place here at that time."

We quote the following as some of the instances wherein counsel gave his personal opinion in respect to divers matters:

"And there weren't three million or six million people in this movement I don't believe. I don't think there were. *I don't believe* she sold so many books. *I don't know* whether she sold a million or what she sold, *but I know* the take has been good and *I know that* the charity has been lean." [R. 1522.]

"If they have taken money from people under false pretenses, they have to bear the consequences. It isn't their build-up or their yachts. *I don't know whether* they have them or they haven't them. But they seem to have done pretty good, and they seem to have planned to do pretty good." [R. 1522.]

"I don't believe what they say. I have a right, the same as any other witness. They don't believe my witnesses. *I don't believe any witness of theirs,* but read the literature and see where you are right." [R. 1525.]

Again:

"I urge the students everywhere, with all the love at my command, to forget everything else you have ever studied.

"Jesus is speaking.

"What could they have in their minds other than but one thing—*I believe to forget the Holy Bible,* the books that they would now endeavor to comfort themselves with. That book will give them comfort, nor should that be deprived from them. But that shouldn't change the proposition that they have defrauded people and should suffer the consequences." [R. 1537.]

"Now, of course, if Mrs. Ballard actually did associate with the gods, you can well understand how these various people that joined the movement would join the movement; *but I don't think she did*, gentlemen, and *I don't think* the evidence shows that she did." [R. 1212.]

It must be borne in mind in this case the trial judge ruled that the case would be tried upon the assumption that the tenets of the "I AM" Activity were not to be involved, yet from the examples of argument which we have set forth above, it will be readily observed that the method of prosecuting attorneys was to ridicule those tenets as being wholly unworthy of belief. Their efforts were directed to making the religion of these people a laughing stock in the courtroom. The defendants are constantly abused as prevaricators and fakers. In addition Government counsel offered their opinion on divers subjects, and sought a conviction because poor people were alleged to have been defrauded, to warn others who might engage in fraudulent practices, and even to preserve the country for the return of our soldiers. We submit that the argument of counsel constituted a studied effort to create religious bias and prejudice against the defendants by means uniformly condemned by our courts. Even the numerous references set forth above do not constitute by any means all of the occasions where such misconduct occurred. [For additional references to statements of counsel, which we submit were not proper, R. pp. 1215, 1219, 1236, 1248, 1250, 1254, 1257, 1267, 1273, 1298, 1299, 1300.]

While every technical error does not warrant a reversal sometimes a single misstep will constitute reversible prejudice while in others slight transgressions may

be corrected. (*Pierce v. United States*, 86 Fed. (2d) 949; *Pharr v. United States*, 48 Fed. (2d) 767.) However, where it appears from the record that the presentation was permeated with prejudicial matter the judgment should be reversed (*Sunderland v. United States*, 19 Fed. (2d) 202) and this is particularly true where the objectionable matter is not through inadvertence but rather an intentional abuse. (*Volkmor v. United States, supra.*) Where a case is such that the Government's evidence is at most weak and only by inference, more consideration should be given to complaints concerning this type of error. (*Franz v. United States*, 62 Fed. (2d) 737.)

In the recent case of *Viereck v. U. S.*, 318 U. S. 236, this Court stated:

> "At a time when passion and prejudice are heightened by emotions stirred by our participation in a great war, we do not doubt that these remarks addressed to the jury were highly prejudicial, and that they were offensive to the dignity and good order with which all proceedings in court should be conducted. We think that the trial judge should have stopped counsel's discourse without waiting for an objection. 'The United States Attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor —indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper

methods calculated to produce a wrongful conviction as it is to use every ligitimate means to bring about a just one."

Assuming that the decision in the *Viereck* case is predicated upon the remarks quoted in a footnote to the decision, they are of the same nature but far less extensive than the remarks made by counsel in the case at bar. We submit that the prejudice which can be aroused in matters concerning religion, is equal to, if not greater than that which can be aroused in connection with war. Statements made by counsel in the *Viereck* case were reprehensible and amply justified the reversal. The counterpart of each of them will be found in the argument of counsel in this case and reversal is equally justified on this ground. In addition, in the case at bar, we have what was apparently absent in the *Viereck* case—a studied and continuous effort to create prejudice, wholly eliminating the possibility that the error arose as a result of temporary over-zealousness of Government counsel. Furthermore Government counsel stood before the jury and asked for a sign—for visible, physical proof of the supernatural, and labelled defendants frauds and fakers because none was presented. This, we submit, goes far beyond propriety and should not be countenanced in any court.

Respectfully submitted,

ROLAND RICH WOOLLEY,
JOSEPH F. RANK,
RALPH C. CURREN,
Attorneys for Respondents.

APPENDIX.

"1937 Radio Broadcast No. 1.
"THE MIGHTY 'I AM PRESENCE'"

"The Cosmic Moment has struck, Beloved Ones of America, when the Ascended Masters call you to Victory and Freedom in the Light.

"Dear Ones, in this series of ten broadcasts, as I give you the ASCENDED MASTERS' INSTRUCTION on the 'Mighty I Am Presence,' which is the LAW OF LIFE, energy and vibration, you may wonder by what authority I give you this Mighty Knowledge. Mr. Ballard and I were chosen to be the Messengers of the Ascended Master, Saint Germain, because He has prepared us to render this service at this time.

"For more than thirty years, we both earnestly sought for the Truth of Life, knowing that there must be some underlying Law, which if found, would give us the Freedom we craved. The answer to our quest came in 1930, right here in your own glorious America, on the side of Mount Shasta, when Saint Germain, Who is One of the Great Ascended Masters, came forth to Mr. Ballard and made it possible for him to have the transcendent illuminating experiences which Mr. Ballard has recorded in his book, UNVEILED MYSTERIES, written under the pen name of Godfré Ray King. A few months later, in the beautiful Wyoming Rockies and the Grand Teton of Teton National Park, Mr. Ballard was shown and taught the marvels which he has recorded in his book, THE MAGIC PRESENCE.

"He was chosen by Saint Germain, because of previous association and preparation, to have and record these

experiences, that the people of America and the world might know and comprehend the Great unknown and unacknowledged Assistance which is now being given to mankind by Himself and the other Ascended Masters, in the face of seeming distress and disorder in the outer world. Through this Understanding, the Great Ascended Masters are trying to arouse the people of America to make conscious determined effort to neutralize the destructive forces that mankind has generated.

"If you wish to know upon what a magnificent plan the destiny of America is founded, and the benefits derived from a conscious understanding of the Ascended Masters' Law of Life, we point you to these two truly transcendent books—UNVEILED MYSTERIES and THE MAGIC PRESENCE. As explained in the Foreword, the exact names, locations, records and treasures, including dates, are withheld intentionally, at the command of Saint Germain, for reasons that are obvious.

"At the close of these experiences, Mr. Ballard returned to our home in Chicago where further explanation of this Mighty Law of Life—the 'Mighty I AM Presence'—was given to us by Saint Germain in person. In a series of seventy-three Discourses, He dictated the Ascended Master Instruction on the use of the Great Creative Word 'I AM,' and the 'Mighty I AM Presence' which is GOD IN ACTION.

"This Knowledge given to us was and is so sacred, so transcendent and so practical that Mr. Ballard, our son, Donald and I are devoting every moment of our lives to the giving of this Work to the people of America. We ask you not to believe a word we tell you, but to PROVE THE TRUTH OF EVERY WORD WE SAY. During the past two and one-half years, we have stood

before more than 225,000 people throughout most of the large cities of the United States of America and given forth this Instruction. We shall continue to do so, until all mankind is set free in the Knowledge of the 'Mighty I AM PRESENCE.'

"Tonight, let us turn our attention to the Understanding of this MIGHTY PRESENCE, the INDIVIDUALIZED GOD-SELF of EVERY HUMAN BEING.

"Down through the ages, mankind has thought of God as being everything from a kindly old gentleman sitting on a golden throne, to a great abstract principle or impersonal force working blindly and heartlessly throughout the world. We bring to you, dear ones, the Perfect logical, acceptable, heart-satisfying ETERNAL LAW AND TRUTH OF LIFE, THE TRUE EXPLANATION OF GOD, AS GIVEN US BY SAINT GERMAIN, JESUS AND THE OTHER ASCENDED MASTERS.

"From out the Heart Center of Infinity comes forth the Individualized Presence of God, clothed in a body of Pure Light Substance. This Electronic Body abides immediately above every human being on earth and pours down into the human form, the Life, the Light, the Substance and Energy that enables the physicial body to move, breathe and have Self-Conscious Life. This Individualized Focus of the Great Supreme Source of all Life, is the 'Mighty I AM Presence.' This is the GOD-SELF of every man. In this way, God—Life—governs the Universe by the Individualization of Itself, which every human being is in Reality.

"The withdrawing of this Presence of—the Life energy—from the human form is what we know in the outer physical world as death. The eyes and ears of the

body after so-called death, may remain in perfect form, yet the body can neither hear nor see; because the Great Stream of Energy which flows down from the Presence and allows the body to see, hear and move about, has withdrawn. This is what Jesus referred to when He said: 'Of Myself, I can do nothing. It is the Father within that doeth the works,' for He recognized and knew that Great Presence of God, the 'I AM,' and to It gave all acknowledgment in all accomplishment.

"The 'Mighty I AM Presence' of every individual, no matter what the worldly estate, is Almighty, Limitless Intelligence focused and dwelling in an Electronic Body of Blazing Pure Substance and Energy. This is the man referred to in the Bible, who is made in the Image and Likeness of God. It would have been a sad looking God indeed, if the human form of man was what had been referred to as God's Image; but now we KNOW that It is this Blazing God-Presence, dwelling immediately above every human form in full Perfection which is the Divine man.

"This Blazing Beautiful Presence is the GUARDIAN ANGEL, spoken of down through the centuries. Many individuals have gazed upon their own 'Mighty I AM Presence' and thought they were seeing a Glorious Being sent from God. This Individualized God-Self projects the Attributes of Itself down into the substance of the physical world, creates a body and operates it through the physical senses. It loans the physical body the use of certain attributes and endows it with an intellectual and Heart Consciousness, through which the God-Self should be allowed to expand Its Light and Perfection and which It always does, unless interfered with by discordant feeling.

"If you doubt that this Great God Presence stands willing and ready to fulfill every constructive wish of your heart, the Ascended Masters say to you: 'If you will call your Presence into action three times daily—earnestly—for five minutes, keeping your feelings harmonious, inside of ten days you would have the evidence in your own experience so strong that nothing could turn you aside.' Say to your Great God Presence WHICH IS ABOVE YOU: '"Mighty I AM Presence"! release into my world as Your Glad Free Gift of Love, this constructive thing which I so earnestly desire.' Do this three times a day for ten consecutive days with deep feeling, keeping yourself harmonized and the sure and certain answer to this call will be all the proof you will need, to know that what we tell you is the Eternal Truth—the LAW OF LIFE.

"The beautiful colored picture of this 'Mighty I AM Presence' appeared in the February Issue of this magazine. Through the use of this eye picture of the PRESENCE, you can more quickly comprehend It, and release Its Mighty Power in Its Fulness through your body to heal, bless and release Its Perfection out into your world and to all you contact.

"You may ask: 'If each human form has a Perfect God Presence pouring into it God's own Perfect Substance, why is not the human being the out-picturing of this full Perfection?'

"Here Blessed Ones, is the most illuminating Understanding of the LAW OF LIFE ever given to mankind. That Perfect substance and energy from the Presence, as It flows into the body of the individual, would remain Pure and Perfect and always out-picture Perfection; if it were not for the requalification, through discordant feeling an inharmony, with which the individual clothes

his God-given Energy. Our work as Messengers of Saint Germain, is to show you Blessed Ones, how you can, through harmonizing your feelings and recognizing this Pure God Energy, allow It to sweep into your bodies, in Its original pure state and full Power, to cleanse and purify your worlds of everything undesirable. When you learn to do this, you will be fulfilling the commands which Jesus gave: 'BE YE PERFECT, EVEN AS YOUR FATHER IN HEAVEN IS PERFECT. YE ARE GODS, THE THINGS I DO SHALL YE DO ALSO AND GREATER THINGS THAN THESE SHALL YE DO.'

"During the coming week, we shall give to you the practical application and use of this MIGHTY LAW OF LIFE.

"Each evening as we close, we invite you to join us in a powerful loving decree for the blessing and perfecting of yourselves, your homes, America and the world. Tonight, we say: 'MIGHTY I AM PRESENCE AND GREAT HOST OF ASCENDED MASTERS! POUR THE FULNESS OF YOUR LIGHT AND LOVE INTO EVERY BLESSED ONE WHO HAS LISTENED TO THESE WORDS AND TO EVERYONE IN THE WORLD! AWAKEN THEM INTO THE FULL TRUTH AND REALITY OF YOUR "MIGHTY I AM PRESENCE"! SHOW THEM THE REALITY OF YOURSELF, AS THE ONLY DIRECTING CONTROLLING PRESENCE AND POWER IN THEIR DAILY LIVES! PRODUCE PERFECTION AND HOLD YOUR DOMINION WITHIN THEM AND THEIR WORLDS FOREVER! WHAT WE DECREE FOR OURSELVES, WE COMMAND FOR ALL MANKIND, THE EARTH AND ITS ATMOSPHERE!'

"We enfold you in the Ascended Masters' Mantle of Light and Love to give you every good thing forever! and remember:

" 'The Light of God never fails'!

" 'The Light of God never fails'!

" 'The Light of God never fails'!

and 'The Mighty I AM Presence' is that Light!" ("The Voice," June, 1937, pp. 9-15, incl.)

p. 9

SUPREME COURT OF THE UNITED STATES.

No. 472.—October Term, 1943.

The United States of America, Petitioner, *vs.* Edna W. Ballard and Donald Ballard.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit.

[April 24, 1944.]

Mr. Justice Douglas delivered the opinion of the Court.

Respondents were indicted and convicted for using, and conspiring to use, the mails to defraud. § 215 Criminal Code, 18 U. S. C. § 338; § 37 Criminal Code, 18 U. S. C. § 88. The indictment was in twelve counts. It charged a scheme to defraud by organizing and promoting the I Am movement through the use of the mails. The charge was that certain designated corporations were formed, literature distributed and sold, funds solicited, and memberships in the I Am movement sought "by means of false and fraudulent representations, pretenses and promises". The false representations charged were eighteen in number. It is sufficient at this point to say that they covered respondents' alleged religious doctrines or beliefs. They were all set forth in the first count. The following are representative:

> that Guy W. Ballard, now deceased, alias Saint Germain, Jesus, George Washington, and Godfre Ray King, had been selected and thereby designated by the alleged "ascertained masters," Saint Germain, as a divine messenger; and that the words of "ascended masters" and the words of the alleged divine entity, Saint Germain, would be transmitted to mankind through the medium of the said Guy W. Ballard;
>
> that Guy W. Ballard, during his lifetime, and Edna W. Ballard, and Donald Ballard, by reason of their alleged high spiritual attainments and righteous conduct, had been selected as divine messengers through which the words of the alleged "ascended masters," including the alleged Saint Germain, would be communicated to mankind under the teachings commonly known as the "I Am" movement;
>
> that Guy W. Ballard, during his lifetime, and Edna W. Ballard and Donald Ballard had, by reason of supernatural at-

> tainments, the power to heal persons of ailments and diseases and to make well persons afflicted with any diseases, injuries, or ailments, and did falsely represent to persons intended to be defrauded that the three designated persons had the ability and power to cure persons of those diseases normally classified as curable and also of diseases which are ordinarily classified by the medical profession as being incurable diseases; and did further represent that the three designated persons had in fact cured either by the activity of one, either, or all of said persons, hundreds of persons afflicted with diseases and ailments;

Each of the representations enumerated in the indictment was followed by the charge that respondents "well knew" it was false. After enumerating the eighteen misrepresentations the indictment also alleged:

> At the time of making all of the afore-alleged representations by the defendants, and each of them, the defendants, and each of them, well knew that all of said aforementioned representations were false and untrue and were made with the intention on the part of the defendants, and each of them, to cheat, wrong, and defraud persons intended to be defrauded, and to obtain from persons intended to be defrauded by the defendants, money, property, and other things of value and to convert the same to the use and the benefit of the defendants, and each of them;

The indictment contained twelve counts, one of which charged a conspiracy to defraud. The first count set forth all of the eighteen representations, as we have said. Each of the other counts incorporated and realleged all of them and added no additional ones. There was a demurrer and a motion to quash each of which asserted among other things that the indictment attacked the religious beliefs of respondents and sought to restrict the free exercise of their religion in violation of the Constitution of the United States. These motions were denied by the District Court. Early in the trial, however, objections were raised to the admission of certain evidence concerning respondents' religious beliefs. The court conferred with counsel in absence of the jury and with the acquiescence of counsel for the United States and for respondents confined the issues on this phase of the case to the question of the good faith of respondents. At the request of counsel for both sides the court advised the jury of that action in the following language:

Now, gentlemen, here is the issue in this case:

First, the defendants in this case made certain representations of belief in a divinity and in a supernatural power. Some of the teachings of the defendants, representations, might seem extremely improbable to a great many people. For instance, the appearance of Jesus to dictate some of the works that we have had introduced in evidence, as testified to here at the opening transcription, or shaking hands with Jesus, to some people that might seem highly improbable. I point that out as one of the many statements.

Whether that is true or not is not the concern of this Court and is not the concern of the jury—and they are going to be told so in their instructions. As far as this Court sees the issue, it is immaterial what these defendants preached or wrote or taught in their classes. They are not going to be permitted to speculate on the actuality of the happening of those incidents. Now, I think I have made that as clear as I can. Therefore, the religious beliefs of these defendants cannot be an issue in this court.

The issue is: Did these defendants honestly and in good faith believe those things? If they did, they should be acquitted. I cannot make it any clearer than that.

If these defendants did not believe those things, they did not believe that Jesus came down and dictated, or that Saint Germain came down and dictated, did not believe the things that they wrote, the things that they preached, but used the mail for the purpose of getting money, the jury should find them guilty. Therefore, gentlemen, religion cannot come into this case.

The District Court reiterated that admonition in the charge to the jury and made it abundantly clear. The following portion of the charge is typical:

> The question of the defendants' good faith is the cardinal question in this case. You are not to be concerned with the religious belief of the defendants, or any of them. The jury will be called upon to pass on the question of whether or not the defendants honestly and in good faith believed the representations which are set forth in the indictment, and honestly and in good faith believed that the benefits which they represented would flow from their belief to those who embraced and followed their teachings, or whether these representations were mere pretenses without honest belief on the part of the defendants or any of them, and, were the representations made for the purpose of procuring money, and were the mails used for this purpose.

As we have said, counsel for the defense acquiesced in this treatment of the matter, made no objection to it during the trial, and indeed treated it without protest as the law of the case throughout the proceedings prior to the verdict. Respondents did not change their position before the District Court after verdict and contend that the truth or verity of their religious doctrines or beliefs should have been submitted to the jury. In their motion for new trial they did contend, however, that the withdrawal of these issues from the jury was error because it was in effect an amendment of the indictment. That was also one of their specifications of errors on appeal. And other errors urged on appeal included the overruling of the demurrer to the indictment and the motion to quash, and the disallowance of proof of the truth of respondents' religious doctrines or beliefs.

The Circuit Court of Appeals reversed the judgment of conviction and granted a new trial, one judge dissenting. 138 F. 2d 540. In its view the restriction of the issue in question to that of good faith was error. Its reason was that the scheme to defraud alleged in the indictment was that respondents made the eighteen alleged false representations; and that to prove that defendants devised the scheme described in the indictment "it was necessary to prove that they schemed to make some, at least, of the (eighteen) representations . . . and that some, at least, of the representations which they schemed to make were false." 138 F. 2d 545. One judge thought that the ruling of the District Court was also error because it was "as prejudicial to the issue of honest belief as to the issue of purposeful misrepresentation." *Id.*, p. 546.

The case is here on a petition for a writ of certiorari which we granted because of the importance of the question presented.

The United States contends that the District Court withdrew from the jury's consideration only the truth or falsity of those representations which related to religious concepts or beliefs and that there were representations charged in the indictment which fell within a different category[1]. The argument is that this latter group of representations was submitted to the jury, that they were adequate to constitute an offense under the Act, and that they were

[1] Petitioner has placed three representations in this group: (1) A portion of the scheme as to healing which we have already quoted and which alleged that respondents "had in fact cured either by the activity of one, either, or all of said persons, hundreds of persons afflicted with diseases and ailments"; (2) The portion of the scheme relating to certain religious experiences described

supported by the requisite evidence. It is thus sought to bring the case within the rule of *Hall* v. *United States*, 168 U. S. 632, 639-640, which held that where an indictment contained "all the necessary averments to constitute an offense created by the statute", a conviction would not be set aside because a "totally immaterial fact" was averred but not proved. We do not stop to ascertain the relevancy of that rule to this case, for we are of the view that all of the representations charged in the indictment which related at least in part to the religious doctrines or beliefs of respondents were withheld from the jury. The trial judge did not differentiate them. He referred in the charge to the "religious beliefs" and "doctrines taught by the defendants" as matters withheld from the jury. And in stating that the issue of good faith was the "cardinal question" in the case he charged, as already noted, that "The jury will be called upon to pass on the question of whether or not the defendants honestly and in good faith believed the representations which are set forth in the indictment." Nowhere in the charge were any of the separate representations submitted to the jury. A careful reading of the whole charge leads us to agree with the Circuit Court of Appeals on this phase of the case that the only issue submitted to the jury was the question as stated by the District Court, of respondents' "belief in their representations and promises."

The United States contends that respondents acquiesced in the withdrawal from the jury of the truth of their religious doctrines or beliefs and that their consent bars them from insisting on a different course once that one turned out to be unsuccessful. Reliance for that position is sought in *Johnson* v. *United States*, 318 U. S. 189. That case stands for the proposition that, apart from situations involving an unfair trial, an appellate court will not grant a new trial to a defendant on the

in certain books (Unveiled Mysteries and The Magic Presence) and concerning which the indictment alleged "that the defendants represented that Guy W. Ballard, Edna W. Ballard, and Donald Ballard actually encountered the experiences pertaining to each of their said names as related and set forth in said books, whereas in truth and in fact none of said persons did encounter the experiences"; (3) The part of the scheme concerning phonograph records sold by respondents on representations that they would bestow on purchasers "great blessings and rewards in their aim to achieve salvation" whereas respondents "well knew that said . . . records were man-made and had no ability to aid in achieving salvation."

ground of improper introduction of evidence or improper comment by the prosecutor, where the defendant acquiesced in that course and made no objection to it. In fairness to respondents that principle cannot be applied here. The real objection of respondents is not that the truth of their religious doctrines or beliefs should have been submitted to the jury. Their demurmer and motion to quash made clear their position that that issue should be withheld from the jury on the basis of the First Amendment. Moreover, their position at all times was and still is that the court should have gone the whole way and withheld from the jury both that issue and the issue of their good faith. Their demurrer and motion to quash asked for dismissal of the entire indictment. Their argument that the truth of their religious doctrines or beliefs should have gone to the jury when the question of their good faith was submitted was and is merely an alternative argument. They never forsook their position that the indictment should have been dismissed and that none of it was good. Moreover, respondents' motion for new trial challenged the propriety of the action of the District Court in withdrawing from the jury the issue of the truth of their religious doctrines or beliefs without also withdrawing the question of their good faith. So we conclude that the rule of *Johnson* v. *United States*, *supra*, does not prevent respondents from reasserting now that no part of the indictment should have been submitted to the jury.

As we have noted, the Circuit Court of Appeals held that the question of the truth of the representations concerning respondent's religious doctrines or beliefs should have been submitted to the jury. And it remanded the case for a new trial. It may be that the Circuit Court of Appeals took that action because it did not think that the indictment could be properly construed as charging a scheme to defraud by means other than misrepresentations of respondents' religious doctrines or beliefs. Or that court may have concluded that the withdrawal of the issue of the truth of those religious doctrines or beliefs was unwarranted because it resulted in a substantial change in the character of the crime charged. But on whichever basis that court rested its action, we do not agree that the truth or verity of respondents' religious doctrines or beliefs should have been submitted to the jury. Whatever this particular indictment might require, the First Amend-

ment precludes such a course, as the United States seems to concede. "The law knows no heresy, and is committed to the support of no dogma, the establishment of no sect." *Watson* v. *Jones*, 13 Wall. 679, 728. The First Amendment has a dual aspect. It not only "forestalls compulsion by law of the acceptance of any creed or the practice of any form of worship" but also "safeguards the free exercise of the chosen form of religion." *Cantwell* v. *Connecticut*, 310 U. S. 296, 303. "Thus the Amendment embraces two concepts,—freedom to believe and freedom to act. The first is absolute but, in the nature of things, the second cannot be." *Id.*, pp. 303-304. Freedom of thought, which includes freedom of religious belief, is basic in a society of free men. *Board of Education* v. *Barnette*, 319 U. S. 624. It embraces the right to maintain theories of life and of death and of the hereafter which are rank heresy to followers of the orthodox faiths. Heresy trials are foreign to our Constitution. Men may believe what they cannot prove. They may not be put to the proof of their religious doctrines or beliefs. Religious experiences which are as real as life to some may be incomprehensible to others. Yet the fact that they may be beyond the ken of mortals does not mean that they can be made suspect before the law. Many take their gospel from the New Testament. But it would hardly be supposed that they could be tried before a jury charged with the duty of determining whether those teachings contained false representations. The miracles of the New Testament, the Divinity of Christ, life after death, the power of prayer are deep in the religious convictions of many. If one could be sent to jail because a jury in a hostile environment found those teachings false, little indeed would be left of religious freedom. The Fathers of the Constitution were not unaware of the varied and extreme views of religious sects, of the violence of disagreement among them, and of the lack of any one religious creed on which all men would agree. They fashioned a charter of government which envisaged the widest possible toleration of conflicting views. Man's relation to his God was made no concern of the state. He was granted the right to worship as he pleased and to answer to no man for the verity of his religious views. The religious views espoused by respondents might seem incredible, if not preposterous, to most people. But if those doctrines are subject to trial before a jury charged with find-

ing their truth or falsity, then the same can be done with the religious beliefs of any sect. When the triers of fact undertake that task, they enter a forbidden domain. The First Amendment does not select any one group or any one type of religion for preferred treatment. It puts them all in that position. *Murdock* v. *Pennsylvania*, 319 U. S. 105. As stated in *Davis* v. *Beason*, 133 U. S. 333, 342, "With man's relations to his Maker and the obligations he may think they impose, and the manner in which an expression shall be made by him of his belief on those subjects, no interference can be permitted, provided always the laws of society, designed to secure its peace and prosperity, and the morals of its people, are not interfered with." See *Prince* v. *Massachusetts*, 321 U. S. 158. So we conclude that the District Court ruled properly when it withheld from the jury all questions concerning the truth or falsity of the religious beliefs or doctrines of respondents.

Respondents maintain that the reversal of the judgment of conviction was justified on other distinct grounds. The Circuit Court of Appeals did not reach those questions. Respondents may, of course, urge them here in support of the judgment of the Circuit Court of Appeals. *Langnes* v. *Green*, 282 U. S. 531, 538-539; *Story Parchment Co.* v. *Paterson Co.*, 282 U. S. 555, 560, 567-568. But since attention was centered on the issues which we have discussed, the remaining questions were not fully presented to this Court either in the briefs or oral argument. In view of these circumstances we deem it more appropriate to remand the cause to the Circuit Court of Appeals so that it may pass on the questions reserved. *Lutcher & Moore Lumber Co.* v. *Knight*, 217 U. S. 257, 267-268; *Brown* v. *Fletcher*, 237 U. S. 583. If any questions of importance survive and are presented here, we will then have the benefit of the views of the Circuit Court of Appeals. Until that additional consideration is had, we cannot be sure that it will be necessary to pass on any of the other constitutional issues which respondents claim to have reserved.

The judgment is reversed and the cause is remanded to the Circuit Court of Appeals for further proceedings in conformity to this opinion.

Reversed.

Mr. Chief Justice STONE, dissenting.

I am not prepared to say that the constitutional guaranty of freedom of religion affords immunity from criminal prosecution for the fraudulent procurement of money by false statements as to one's religious experiences; more than it renders polygamy or libel immune from criminal prosecution. *Davis* v. *Benson*, 133 U. S. 333; see *Chaplinsky* v. *New Hampshire*, 315 U. S. 568, 572; cf. *Patterson* v. *Colorado*, 205 U. S. 454, 462; *Near v. Minnesota*, 283 U. S. 697, 715. I cannot say that freedom of thought and worship includes freedom to procure money by making knowingly false statements about one's religious experiences. To go no further, if it were shown that a defendant in this case had asserted as a part of the alleged fraudulent scheme, that he had physically shaken hands with St. Germain in San Francisco on a day named, or that, as the indictment here alleges, by the exertion of his spiritual power he "had in fact cured . . . hundreds of person afflicted with diseases and ailments", I should not doubt that it would be open to the Government to submit to the jury proof that he had never been in San Francisco and that no such cures had ever been effected. In any event I see no occasion for making any pronouncement on this subject in the present case.

The indictment charges respondents' use of the mails to defraud and a conspiracy to commit that offense by false statements of their religious experiences which had not in fact occurred. But it also charged that the representations were "falsely and fraudulently" made, that respondents "well knew" that these representations were untrue, and that they were made by respondents with the intent to cheat and defraud those to whom they were made. With the assent of the prosecution and the defense the trial judge withdrew from the consideration of the jury the question whether the alleged religious experiences had in fact occurred, but submitted to the jury the single issue whether petitioners honestly believed that they had occurred, with the instruction that if the jury did not so find, then it should return a verdict of guilty. On this issue the jury, on ample evidence that respondents were without belief in the statements which they had made to their victims, found a verdict of guilty. The state of one's mind is a fact as capable of fraudulent misrepresentation as is one's physical condition or the state of his bodily health. See *Seven Cases* v. *United States*, 239 U. S. 510, 517; cf. *Durland* v.

United States, 161 U. S. 306, 313. There are no exceptions to the charge and no contention that the trial court rejected any relevant evidence which petitioners sought to offer. Since the indictment and the evidence support the conviction, it is irrelevant whether the religious experiences alleged did or did not in fact occur or whether that issue could or could not, for constitutional reasons, have been rightly submitted to the jury. Certainly none of respondents' constitutional rights are violated if they are prosecuted for the fraudulent procurement of money by false representations as to their beliefs, religious or otherwise.

Obviously if the question whether the religious experiences in fact occurred could not constitutionally have been submitted to the jury the court rightly withdrew it. If it could have been submitted I know of no reason why the parties could not, with the advice of counsel, assent to its withdrawal from the jury. And where, as here, the indictment charges two sets of false statements, each independently sufficient to sustain the conviction, I cannot accept respondents' contention that the withdrawal of one set and the submission of the other to the jury amounted to an amendment of the indictment.

An indictment is amended when it is so altered as to charge a different offense from that found by the grand jury. *Ex parte Bain*, 121 U. S. 1. But here there was no alteration of the indictment, *Salinger* v. *United States*, 272 U. S. 542, 549, nor did the court's action, in effect, add anything to it by submitting to the jury matters which it did not charge. *United States* v. *Norris*, 281 U. S. 619, 622. In *Salinger* v. *United States*, *supra*, 548-9, we explicitly held that where an indictment charges several offenses, or the commission of one offense in several ways, the withdrawal from the jury's consideration of one offense or one alleged method of committing it does not constitute a forbidden amendment of the indictment. See also *Goto* v. *Lane*, 265 U. S. 393, 402-3; *Ford* v. *United States*, 273 U. S. 593, 602. Were the rule otherwise the common practice of withdrawing from the jury's consideration one count of an indictment while submitting others for its verdict, sustained in *Dealy* v. *United States*, 152 U. S. 539, 542, would be a fatal error.

We may assume that under some circumstances the submission to the jury of part only of the matters alleged in the indictment might result in such surprise to the defendant as to amount to

the denial of a fair trial. But, as in the analogous case of a variance between pleading and proof, a conviction can be reversed only upon a showing of injury to the "substantial rights" of the accused. *Berger* v. *United States*, 295 U. S. 78, 82. Here no claim of surprise has been or could be made. The indictment plainly charged both falsity of, and lack of good faith belief in the representations made, and it was agreed at the outset of the trial, without objection from the defendants, that only the issue of respondents' good faith belief in the representations of religious experiences would be submitted to the jury. Respondents, who were represented by counsel, at no time in the course of the trial offered any objection to this limitation of the issues, or any contention that it would result in a prohibited amendment of the indictment. So far as appears from the record before us the point was raised for the first time in the specifications of errors in the Circuit Court of Appeals. It is asserted that it was argued to the District Court on motions for new trial and in arrest of judgment. If so, there was still no surprise by a ruling to which, as we have said, respondents' counsel assented when it was made.

On the issue submitted to the jury in this case it properly rendered a verdict of guilty. As no legally sufficient reason for disturbing it appears, I think the judgment below should be reversed and that of the District Court reinstated.

Mr. Justice ROBERTS and Mr. Justice FRANKFURTER join in this opinion.

Mr. Justice JACKSON, dissenting.

I should say the defendants have done just that for which they are indicted. If I might agree to their conviction without creating a precedent, I cheerfully would do so. I can see in their teachings nothing but humbug, untainted by any trace of truth. But that does not dispose of the constitutional question whether misrepresentation of religious experience or belief is prosecutable; it rather emphasizes the danger of such prosecutions.

The Ballard family claimed miraculous communication with the spirit world and supernatural power to heal the sick. They were brought to trial for mail fraud on an indictment which charged

that their representations were false and that they "well knew" they were false. The trial judge, obviously troubled, ruled that the court could not try whether the statements were untrue, but could inquire whether the defendants knew them to be untrue; and, if so, they could be convicted.

I find it difficult to reconcile this conclusion with our traditional religious freedoms.

In the first place, as a matter of either practice or philosophy I do not see how we can separate an issue as to what is believed from considerations as to what is believable. The most convincing proof that one believes his statements is to show that they have been true in his experience. Likewise, that one knowingly falsified is best proved by showing that what he said happened never did happen. How can the Government prove these persons knew something to be false which it cannot prove to be false? If we try religious sincerity severed from religious verity, we isolate the dispute from the very considerations which in common experience provide its most reliable answer.

In the second place, any inquiry into intellectual honesty in religion raises profound psychological problems. William James, who wrote on these matters as a scientist, reminds us that it is not theology and ceremonies which keep religion going. Its vitality is in the religious experiences of many people. "If you ask what these experiences are, they are conversations with the unseen, voices and visions, responses to prayer, changes of heart, deliverances from fear, inflowings of help, assurances of support, whenever certain persons set their own internal attitude in certain appropriate ways."[1] If religious liberty includes, as it must, the right to communicate such experiences to others, it seems to me an impossible task for juries to separate fancied ones from real ones, dreams from happenings, and hallucinations from true clairvoyance. Such experiences, like some tones and colors, have existence for one, but none at all for another. They cannot be verified to the minds of those whose field of consciousness does not include religious insight. When one comes to trial which turns on any aspect of religious belief or representation, unbelievers among his judges are likely not to understand and are almost certain not to believe him.

[1] William James, Collected Essays and Reviews, pp. 427-8; see generally his Varieties of Religious Experience and The Will to Believe. See also Burton, Heyday of a Wizzard.

And then I do not know what degree of skepticism or disbelief in a religious representation amounts to actionable fraud. James points out that "Faith means belief in something concerning which doubt is theoretically possible."[2] Belief in what one may demonstrate to the senses is not faith. All schools of religious thought make enormous assumptions, generally on the basis of revelations authenticated by some sign or miracle. The appeal in such matters is to a very different plane of credulity than is invoked by representations of secular fact in commerce. Some who profess belief in the Bible read literally what others read as allegory or metaphor, as they read Aesop's fables. Religious symbolism is even used by some with the same mental reservations one has in teaching of Santa Claus or Uncle Sam or Easter bunnies or dispassionate judges. It is hard in matters so mystical to say how literally one is bound to believe the doctrine he teaches and even more difficult to say how far it is reliance upon a teacher's literal belief which induces followers to give him money.

There appear to be persons—let us hope not many—who find refreshment and courage in the teachings of the "I Am" cult. If the members of the sect get comfort from the celestial guidance of their "Saint Germain," however doubtful it seems to me, it is hard to say that they do not get what they pay for. Scores of sects flourish in this country by teaching what to me are queer notions. It is plain that there is wide variety in American religious taste. The Ballards are not alone in catering to it with a pretty dubious product.

The chief wrong which false prophets do to their following is not financial. The collections aggregate a tempting total, but individual payments are not ruinous. I doubt if the vigilance of the law is equal to making money stick by over-credulous people. But the real harm is on the mental and spiritual plane. There are those who hunger and thirst after higher values which they feel wanting in their humdrum lives. They live in mental confusion or moral anarchy and seek vaguely for truth and beauty and moral support. When they are deluded and then disillusioned, cynicism and confusion follow. The wrong of these things, as I see it, is not in the money the victims part with half so much as in the mental and spiritual poison they get. But that is precisely the thing the Constitution put beyond the reach of

2 William James, The Will to Believe, p. 90.

the prosecutor, for the price of freedom of religion or of speech or of the press is that we must put up with, and even pay for, a good deal of rubbish.

Prosecutions of this character easily could degenerate into religious persecution. I do not doubt that religious leaders may be convicted of fraud for making false representations on matters other than faith or experience, as for example if one represents that funds are being used to construct a church when in fact they are being used for personal purposes. But that is not this case, which reaches into wholly dangerous ground. When does less than full belief in a professed credo become actionable fraud if one is soliciting gifts or legacies? Such inquiries may discomfort orthodox as well as unconventional religious teachers, for even the most regular of them are sometimes accused of taking their orthodoxy with a grain of salt.

I would dismiss the indictment and have done with this business of judicially examining other people's faiths.